



Agreements & Disclosures

INTERACTIVE BROKERS (U.K.) LTD. DISCLOSURE REGARDING CUSTOMER ASSET PROTECTION

Many of Interactive Brokers' global clients will have accounts both at Interactive Brokers LLC ("IBLLC"), Interactive Brokers Group's U.S.-based brokerage firm, and Interactive Brokers (U.K.) Ltd ("IBUK"), Interactive Brokers Group's U.K.-based brokerage firm. This document is a general overview of the customer asset protection mechanisms applicable to client assets held with each firm. The below information is subject to change and IBUK and IBLLC may hold customer assets in any manner consistent with the laws and regulations that apply to each company.

INTERACTIVE BROKERS (U.K.) LIMITED CUSTOMER ASSETS

Interactive Brokers (U.K.) Limited is authorised and regulated by the Financial Conduct Authority ("FCA"), register no. 208159. IBUK is a wholly owned subsidiary of Interactive Brokers Group. IBUK provides client money and client asset services in accordance with FCA Client Assets regulations ("CASS").

Client Money Protection:

Client money rules apply to all regulated firms that receive money from a client, or hold money for a client in the course of carrying out business in investment products covered by the Markets in Financial Instruments Directive ("MiFID") and/or other designated investment business.

Client money is segregated from IBUK's own money. In the event of a failure of an authorised firm such as IBUK, client monies held in segregated accounts will be returned to clients rather than being treated as a recoverable asset by general creditors. In the unlikely event of a shortfall, clients may be eligible to claim compensation from the Financial Services Compensation Scheme ("FSCS").

Client money is ring-fenced in separate bank accounts that are held in trust on behalf of the clients. These accounts are distributed across one or more banks with investment-grade ratings. When IBUK makes the selection and appointment of a bank to hold client money, it takes into account the expertise and market reputation of the bank, its financial standing and any legal requirements or market practices related to the holding of client money.

IBUK also will allow client money to be held in a client transaction account by an exchange, a clearing house or an intermediate broker for the purpose of effectuating transactions or to meet a client's or IBUK's obligation to provide collateral for transactions.

Each day, IBUK performs a detailed reconciliation of client money held in client money bank accounts and client transaction accounts and its liabilities to its clients to ensure that client monies are properly segregated and sufficient to meet all liabilities in accordance with the FCA's CASS rules. FCA regulations also require IBUK to maintain a CASS Resolution Pack to ensure that in the unlikely event of the firm's liquidation, the Insolvency Practitioner is able to retrieve information with a view to returning client money and assets to the firm's clients on a timely basis.

Financial Services Compensation Scheme:

IBUK is authorised and regulated by the FCA as an investment firm and is a participant in the Financial Services Compensation scheme. Certain eligible clients qualify for compensation under the FCA Compensation rules. Clients should be aware that:

- FSCS pays compensation for financial loss only to eligible claimants when an authorised firm is in default and will carry out an investigation to establish whether or not this is the case. FSCS compensation is subject to coverage limits (see below).
- FSCS compensation does not cover market losses on your investments.
- The FSCS was set up mainly to assist private individuals, although smaller businesses are also covered.

- Larger businesses are generally excluded.

Investments:

FSCS provides protection if an authorised investment firm is unable to pay claims against it (e.g., when an authorised investment firm goes out of business and cannot return assets to its clients). Assets classified as investments for authorised investment firms under the FSCS include stocks and shares, futures, options, CFDs, other regulated instruments and money deposited by clients.

Compensation Limits:

The actual level of compensation a client would receive in the event of a broker insolvency will depend on the basis of the claim. The current maximum levels of compensation for investments are £50,000 per person per firm (for claims against firms declared in default from 1 January 2010). Compensation levels are subject to change. Please refer to the FSCS website at <http://www.fscs.org.uk/>.

INTERACTIVE BROKERS LLC CUSTOMER ASSETS

Interactive Brokers LLC ("IBLLC") is regulated by the U.S. Securities and Exchange Commission ("SEC") (for securities trading) and the U.S. Commodity Futures Trading Commission ("CFTC") (for futures trading). Client assets are segregated in special bank or custody accounts that are designated for the exclusive benefit of customers of IBLLC.

IBLLC Securities Accounts:

Client funds are held in special Reserve Accounts at custodial institutions (generally banks) allowed under U.S. law. Customer Reserve Accounts are designated for the exclusive benefit of IBLLC's customers. Client funds may be distributed across Customer Reserve Accounts at a number of banks with investment-grade ratings.

Client funds may also be invested in other allowable assets, including U.S. Treasury securities and reverse repurchase agreements, where the collateral received is in the form of U.S. Treasury securities. Funds and securities may also be pledged to a clearing house to support customer margin requirements on securities options positions.

Customer cash is maintained according to SEC rules on a net basis in the Reserve Accounts, which reflects the net credit balances of customers in excess of customer debit balances. Current SEC regulations require broker-dealers to perform a detailed reconciliation of customer money and securities (known as the "Reserve Computation") at least weekly to ensure that customer monies are properly segregated from the broker-dealer's own funds. IBLLC performs this calculation daily.

SIPC Protection for IBLLC Securities Accounts:

Customer securities accounts at IBLLC are protected by the Securities Investor Protection Corporation ("SIPC") for a maximum coverage of \$500,000 (with a cash sublimit of \$250,000) and under IBLLC's excess SIPC policy with certain underwriters at Lloyd's of London for up to an additional \$30 million (with a cash sublimit of \$900,000) subject to an aggregate limit of \$150 million. SIPC and excess SIPC insurance covers losses (subject to applicable limits) against financial failure of a broker-dealer, not against loss of market value of securities.

SIPC only protects assets in IBLLC securities accounts. SIPC does not protect assets held in IBLLC commodity futures trading accounts and does not protect assets held at IBUK.

SIPC is a non-profit, membership corporation funded by broker-dealers that are members of SIPC. For more information about SIPC and answers to frequently asked questions (such as how SIPC works, what is protected, how to file a claim, etc.), please refer to the following websites:

<http://www.SIPC.org>

<http://www.finra.org/InvestorInformation/InvestorProtection/SIPCProtection/index.htm>

or contact SIPC at:

Securities Investor Protection Corporation
805 15th Street, N.W. - Suite 800
Washington, D.C. 20005-2215

Telephone: (202) 371-8300
Facsimile: (202) 371-6728

IBLLC Commodities Accounts:

Customer funds in IBLLC commodities accounts are protected pursuant to CFTC rules. Customer funds may be held at commodities clearing banks/brokers in accounts identified as segregated for the benefit of IBLLC customers. Customer funds may also be pledged to clearing houses to support customer margin requirements on futures and options on futures positions. IBLLC performs a detailed reconciliation of customer equity on a daily basis to ensure that customer monies are properly segregated. This computation is submitted to IBLLC's regulators daily.

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