



International Swaps and Derivatives Association, Inc.

General Disclosure Statement for Transactions

I. INTRODUCTION

We are providing you with this General Disclosure Statement for Transactions (“**General Disclosure Statement**”), which describes generally: (1) the material characteristics of a wide variety of Transactions (as defined below) that we may conduct with you; (2) the material risks of such Transactions; and (3) typical material incentives and conflicts of interest that we may have with respect to such Transactions. These Transactions may relate to Underliers (as defined below) related to one or more of the following classes of reference assets: interest rates, foreign exchange rates and currencies, credit instruments, asset-backed instruments, equities, and commodities. In addition, we may provide you with additional disclosure statements for Transactions in each of these Underliers to supplement the information provided herein, as well as Transaction-specific disclosures in connection with particular Transactions. This General Disclosure Statement should be read in conjunction with such disclosures.

Please note that Transactions may give rise to significant risks and are intended primarily for knowledgeable and sophisticated parties that are willing to accept such risks and able to absorb the losses that may arise. Therefore, it is important that you or the person exercising discretion on your behalf understand these risks before entering into any Transactions, regardless of your level of prior experience in financial transactions or instruments.

In this General Disclosure Statement and any supplemental disclosure statement that expressly refers to this General Disclosure Statement:

- “we”, “our”, “ours”, and “us” refer to the provider of this General Disclosure Statement and each affiliate that may conduct Transactions with you, except that for purposes of Section IV only, such terms include all of our affiliates;
- “you”, “your” and “yours” refer to each of the persons to which this General Disclosure Statement is delivered or addressed in connection with entering into, executing or agreeing upon the terms of Transactions with us, as indicated in any written or electronic transmittal of the same;
- “Covered Derivative” means (i) a swap, foreign exchange swap, or foreign exchange forward (each as defined in Section 1a of the Commodity Exchange Act and rules thereunder), or (ii) a mixed swap (as defined in Sections 1a of the Commodity Exchange Act and 3(a) of the Securities Exchange Act and rules thereunder);

significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call is in an extremely risky position, and may incur large losses if the reference price or value of the Underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the Underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the Underlier. Uncovered option writing is thus suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable collateral or margin requirements. For combination writing, where the investor writes both a put and a call on the same Underlier, the potential risk is unlimited.

You should also be aware that the risk-return profile of an option may vary depending on the characteristics of the relevant Transaction. For example, a “knock-out option” may expire prior to the scheduled expiration date if the reference price or value of the Underlier falls below, in the case of a put option, or exceeds, in the case of a call option, an agreed upon price or value at specific points in time, or at any time during the exercise period, depending upon how the option is structured. The buyer of such an option bears the risk of reference price movements causing the option to expire prior to the scheduled expiration date. Transaction terms that give a party the right to extend or accelerate the scheduled termination date of a Transaction are economically equivalent to options. Such features may cause you to incur significant losses if exercised against you. The option premium in respect of such features may be in the form of an explicit payment or may be implicit in other terms of the Transaction.

Please refer to Section IV.A.2 below for certain considerations regarding hedging activity in connection with option Transactions.

Complex or Exotic Options

Complex or exotic options, including various barrier options, may involve multiple and varied conditions and triggering events, which may be interdependent and/or dependent on price trajectories or other factors, the occurrence or non-occurrence of which may have multiple and varied consequences. These events or conditions and consequences may interrelate to produce widely divergent outcomes. Complex or exotic options should be studied with great care to ensure that all potential ramifications, including any effects of leverage, path dependence, volatility and correlations among Underliers are well understood.

Swaptions

A swaption is an option that provides one party with the right, but not the obligation, to enter into a swap or security-based swap with agreed-upon parameters on the specified future exercise date or dates. As options, swaptions have the risks and characteristics

Swaps and Derivatives Association, Inc. for a discussion of certain events that may affect foreign exchange markets.

IV. CONFLICTS OF INTEREST AND MATERIAL INCENTIVES

A. Our financial market activities may adversely impact Transactions

We may act as, among other things, an investor, research provider, placement agent, underwriter, distributor, remarketing agent, structurer, securitizer, lender, investment manager, investment adviser, commodity trading advisor, municipal advisor, market maker, [index sponsor](#), trader, prime broker or clearing broker. In those and other capacities, we may purchase, sell or hold a broad array of investments, we may trade securities, loans, commodities, currencies, credit instruments, indices, baskets, derivatives, and other financial instruments for our account or for the accounts of our customers and other counterparties, including Transactions, or provide advice [or other services](#) that may result in our customers engaging in such activities. We may have other direct or indirect interests in these products and the markets, data providers, index sponsors, clearinghouses, settlement systems and other market utilities with respect to such products, including as liquidity provider to a trading venue, clearing member, exchange member, participant on an exchange settlement committee, participant [or sole index sponsor](#) in determining the constituents of an index or submitting [or compiling](#) estimates or prices upon which an index is based, or provider [or calculator](#) of transaction data.

We may own equity in, provide financing to, serve on the board of directors of, provide investment banking advice on mergers, restructurings and other corporate actions to, or initiate or participate in the enforcement of remedies against, issuers and other third parties whose activities may influence or otherwise affect the price, value, or level of Underliers and/or the Transaction Economics.

Our financial market activities may, individually or in the aggregate, have the effects noted above and below, and you should expect that our interests, and the interests of our customers or other counterparties, may at times be adverse to your interests under or in connection with Transactions we conduct with you. **Unless otherwise disclosed in writing, we are not necessarily acting in your best interests and we are not assessing the suitability of the Transaction for you.** Without limiting the foregoing (except as the same may be limited by applicable law), we may engage in the following activities: