



Weekly
Producer
Accumulator
No Knock-Out
100% with
Euro Double-
Up

*PRODUCT RISK
DISCLOSURE
DOCUMENT*

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Important Information about this Product Risk Disclosure Document (PRDD)

A Product Risk Disclosure Document (**PRDD**) is an information document. Its purpose is to provide you with enough information so that you can decide if the product will meet your needs. A PRDD is also a tool for comparing the features of other products you may be considering. If you have any questions about this product, please contact us. Our contact details are set out on the final page of this PRDD.

This PRDD relates to a **Weekly Producer Accumulator No Knock-Out 100% with Euro Double-Up** (the “Structure” or the “product”). The product is a complex derivative instrument designed for knowledgeable and sophisticated clients who wish to take a view on the volatility of the referenced futures contract and who fully understand the way futures and options work. Clients should understand that they may suffer large losses depending on the nature, frequency and timing of changes in the levels of the referenced futures contract. You should read and consider all sections of this PRDD carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice.

The information set out in this PRDD is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider its suitability with regard to your objectives,

financial situation and needs. By providing this PRDD, INTL FCStone Markets does not intend to provide financial, tax or legal advice or any financial recommendations.

The information in this PRDD is subject to change. Updates to this PRDD will be provided by issuing a supplementary or replacement PRDD or by posting the information on a web site made available to you.

This PRDD is intended only for clients who qualify as **Eligible Contract Participants** (“ECP”) under the rules of the United States Commodity Futures Trading Association (“CFTC”). Distribution of this PRDD to non-ECPs is strictly prohibited by law and may result in serious sanctions. If you have received this PRDD in error, please notify us immediately.

Weekly Producer Accumulator No Knock-Out 100% with Euro Double-Up Summary

Overview	<ul style="list-style-type: none">•The Structure is a complex financial product designed to assist you in establishing a price for a commodity at levels at or above futures market prices at the time the Structure is initiated. It may help you manage a cash commodity risk to which you are exposed.
Costs	<ul style="list-style-type: none">•There are no up-front out of pocket costs with this product. However, the product is designed to include an embedded cost which serves as our compensation.
Advantages	<ul style="list-style-type: none">•The Structure provides an opportunity to sell a commodity at a price equal to or higher than the futures price at the time the structure is initiated. The Structure sets a Floor Level in order to provide downside protection for the full notional quantity.
Disadvantages	<ul style="list-style-type: none">•If the market price settles higher than the Double-Up Level at Structure expiration, an additional 100% of the notional quantity is priced at the Double-Up Level.
Minimum Transaction Amount	<ul style="list-style-type: none">•Minimum transaction amount varies depending on the nature of the commodity in question. Please consult your Risk Management Consultant to discuss.
Term	<ul style="list-style-type: none">•The term for the Structure can be 1 day to 2.5 years. You can terminate the Structure early but there may be a cost to you if you do.

NOTE: The above information is a summary and you should read this entire document for more detailed information.

What is a Weekly Producer Accumulator No Knock-Out 100% with Euro Double-Up?

Product Characteristics

A **Weekly Producer Accumulator No Knock-Out 100% with Euro Double-Up** (hereinafter, the “Structure” or the “product”) is an agreement with INTL FCStone Markets (“us”) to purchase or sell a derivative. The Structure is a complex financial product created through a combination of OTC options. The Structure is usually settled through an exchange of accumulated swaps, but can also be financially-settled, meaning that the customer (“you”) pay INTL FCStone Markets, or INTL FCStone Markets pays you, upon maturity or early termination. No physical commodity is delivered in connection with this financial instrument.

An **Accumulator Contract** can be customized to include a variety of features that enable you to have greater or lesser exposure to market movements or reduce up-front costs. One such feature in this Structure is **Weekly Accumulation**. Weekly Accumulation means that during the term of the Structure the notional amount of the commodity subject to our agreement is realized in an amount equal to the **Initial Weekly Amount**. The Weekly Accumulation is set at a mutually agreed upon **Accumulation Level**.

Another feature of the Structure is the **Euro Double-Up Feature**. The Euro Double-Up increases the notional amount accumulated at the end date of the structure by a factor of two when the reference futures price settles above the Double-Up Level. If you are using the Structure to fix the price for a certain percentage of your production, you need to be

mindful that this feature may subject you to a larger percentage of production.

The Structure also provides a mutually agreed upon **Floor Level**. With this feature, if the market price settles at or below the Floor Level on any given observation date, you will Accumulate 100% of the weekly Contracts at the Floor Level.

Suitability

The Structure is a complex financial product designed for knowledgeable and sophisticated clients who wish to take a view on the volatility of the referenced futures contract and who fully understand the way futures and options work. Clients should understand that they may suffer large losses depending on the nature, frequency and timing of changes in the levels of the referenced futures contract.

Certain risk/reward characteristics inherent in this Structure may also affect its usefulness to you as a risk management tool. For instance, the options you trade as part of the Structure have value which allows us to fund the above-market price you receive while providing the Structure to you at no up-front cost. On the other hand, these options create some limits to the utility of the Structure as a risk management tool, insofar as the total quantity of commodity to be priced will not be known until the Structure reaches maturity. For this reason, the Structure is **not suitable** as your sole and exclusive risk management tool. The Structure should only be used as one part of a diversified risk management strategy.

What are the Advantages of the Structure?

- Ability to accumulate short swaps at The Floor Level or at a higher price than initial market levels
- No up-front cost associated with option premium
- Variation margin will be subject to agreement between the parties if the Structure is used by an “End User” customer to hedge
- Can be customized to meet your specific requirements
- Ease of execution relative to exchange-traded options to execute similar return profile
- Floor Level provides a minimum selling level for the full notional quantity

What are the Disadvantages of the Structure?

- If the futures settlement is above the Double-Up Level at Structure expiration, an additional 100% of the initial notional quantity is priced at the Double-Up Level
- Variability in quantity creates planning challenges for merchandizing and risk management purposes
- Less price transparency and liquidity than exchange-traded instruments

What General Risks Are Associated with the Structure?

As with any contractual agreement between two parties, INTL FCStone Markets has performance obligations under the Structure. If we default on our obligations to you for any reason, you will be exposed to the same commodity price risk you would have experienced had you never entered into the Structure. You also may be unable to recover unpaid amounts due to you under the Structure at the time of any default.

Our ability to fulfill our obligations to you is linked to our financial well-being and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial well-being) is commonly referred to as **credit or counterparty risk**. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as **operational risk**.

You must make your own assessment of our ability to meet our obligations to you. However, as a swap dealer registered with the National Futures Association, we are subject to regulation by the United States CFTC. The CFTC's regulations are intended to reduce the risk of our failing to perform our obligations to you.

The Structure utilizes options, and the leverage inherent in options magnifies the risk of significant loss.

How will the Product Perform under Various Market Scenarios?

You are a producer and want to sell at a price above the current market.

Assume that you and INTL FCStone Markets agree to enter into a Structure with a 52 week term, 1 contract per week, with Floor Level of \$925, Accumulation Level of \$1050, and Double-Up Level of \$1050. The following discussion illustrates how the structure could perform, and the financial consequences to you, under a variety of market scenarios.



The examples below are indicative only, and use prices and quantities that we have selected to demonstrate how the product works under a variety of market conditions. To assess the merits of any particular Structure, you need to use actual prices and quantities that are applicable to your situation.

- Each week that the referenced futures contract settles at or below the Floor Level, 100% of the weekly quantity is priced at the Floor Level.
- If the referenced futures contract settles above the Floor Level, 100% of the weekly quantity is priced at the Accumulation Level.
- If at expiration the referenced futures contract settles above the Double-Up Level, an additional 100% of the notional quantity is priced at the Double-Up Level.

Example A: Futures trade within range between the Floor Level and the Double-Up Level.

Date	Futures Price on Observation Date	Accumulation
Weeks 1-10	\$975	10 Contracts Accumulated at \$1050
Weeks 11-20	\$950	10 Contracts Accumulated at \$1050
Weeks 21-30	\$980	10 Contracts Accumulated at \$1050
Weeks 31-52	\$1000	22 Contracts Accumulated at \$1050

Example B: Futures trend downward. The Futures Contract trades below Floor Level but settles above Floor Level.

Date	Futures Price on Observation Date	Accumulation
Weeks 1-10	\$975	10 Contracts Accumulated at \$1050
Weeks 11-20	\$950	10 Contracts Accumulated at \$1050
Weeks 21-30	\$915	10 Contracts Accumulated at \$925 due to surpassing the Floor Level
Weeks 31-40	\$900	10 Contracts Accumulated at \$925 due to surpassing the Floor Level
Weeks 41-52	\$930	12 Contracts Accumulated at \$1050

Example C: Futures trend upward. The Futures Contract trades and settles above the Double-Up Level. A Euro Double-Up Event occurs.

Date	Futures Price on Observation Date	Accumulation
Weeks 1-10	\$975	10 Contracts Accumulated at \$1050
Weeks 11-20	\$990	10 Contracts Accumulated at \$1050
Weeks 21-40	\$1000	20 Contracts Accumulated at \$1050
Weeks 41-52	\$1090	12 Contracts Accumulated at \$1050
Settlement	\$1090	52 Additional Contracts Accumulated at \$1050 due to Euro Double-Up Event

Example D: The Futures Contract is volatile and trades above the Double-Up Level and below the Floor Level.

Date	Futures Price on Observation Date	Accumulation
Weeks 1-10	\$975	10 Contracts Accumulated at \$1050
Weeks 11-20	\$1060	10 Contracts Accumulated at \$1050
Weeks 21-30	\$980	10 Contracts Accumulated at \$1050
Weeks 31-52	\$900	22 Contracts Accumulated at \$925 due to surpassing the Floor Level

Fees and Charges

There are no up-front, out of pocket costs associated with the Structure. INTL FCStone Markets nonetheless derives a financial benefit, which is embedded in the structure of the product. When determining the fees and charges that we embed in the Structure, INTL FCStone Markets takes a variety of factors into account, including but not limited to:

- The cost to INTL FCStone Markets to hedge its risk
- The agreed upon price levels
- The size and term of the Structure
- Market, credit and country risk

Due to dynamic market conditions, the levels and costs associated with this product are subject to change.

How will Collateral/Margin Calls work?

The Structure is usually designed to have no up-front cost associated with option premium. However, you may be required to deposit Initial Margin with us when you initiate a trade in order to account for market risk. We also have the right to ask you to deposit additional funds with us ("collateral" or "variation margin") if the market value of the Structure changes. Requests for the deposit of collateral/variation margin are likely to occur in connection with this Structure when futures prices or option volatilities are changing.

Specifically, you should be aware that future market price movements may give rise to additional margin requirements and your failure to make margin payments may result in our termination of the transaction and your loss of anticipated benefits.

What Happens at Maturity?

Depending on the terms of your Structure, at maturity, either you or INTL FCStone Markets will receive the accumulated swaps as per the terms of the Structure. In some cases, the final settlement amount is denominated in U.S. dollars. Alternative settlement arrangements can be made if we both agree prior to the settlement date.

Can I Terminate the Structure before Maturity?

While we will endeavor to provide you with the ability to terminate the structure at any time prior to maturity, you should understand that it may not be possible for you to modify, terminate or offset your obligation prior to its scheduled maturity date. Should you ask to terminate (or “unwind”) the Structure any time prior to maturity, as long as we agree, we will provide you with a quote to unwind the Structure. You should be aware that this structure may be modified or terminated at our sole discretion.

What will be the Value of the Structure on Early termination?

Our quote will incorporate the same variables (amount, term, market risk, volatility, credit risk, the cost of entering into offsetting transactions) that we used when originally pricing the Structure. These will be adjusted to account for prevailing market rates over the remaining term of the Structure. We will also need to consider the cost of reversing or offsetting your original transaction. When doing this we take into account the current market rates that apply to any offsetting transaction. You should be aware that if we agree to cancel the Structure, there may be a cost to you.

What Documentation is Required?

You will need to complete account opening forms, provide account opening documentation, and sign an International Swaps and Derivatives Association Master Dealing Agreement (“ISDA”) if you want to enter into a Structure with us. This documentation will govern the dealing relationship between you and us, and sets out the terms and conditions that will apply to all transactions that we enter into with you that are covered by the agreement. You should obtain independent advice if you do not understand any aspect of these documents before you sign.

What About Confirmations?

The commercial terms of a Structure may be agreed to in writing, over the phone, or through some other form of electronic communication such as Instant Messaging or e-mail. Once we reach an agreement, both you and INTL FCStone Markets are bound by the terms of the Structure.

After entering into a Structure with you, INTL FCStone Markets will send you a confirmation outlining the commercial terms of the transaction. You will need to sign this confirmation and return it to us. This confirmation will form part of the master agreement you enter into with us.

It is extremely important that you check the confirmation to make sure that it accurately records the terms of the transaction. If there is a discrepancy between your understanding and the confirmation, you will need to raise it with your INTL FCStone Markets representative as a matter of urgency.

Other Things You Should Know:

Taxation

Tax law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for you, you should consider the impact it will have on your own taxation position and seek professional advice if needed.

Recording of Telephone Calls and Other Forms of Electronic Communication

As a Swap-Dealer registered with the National Futures Association and subject to the rules of the United States Commodity Futures Trading Commission, INTL FCStone Markets is required to record telephone calls and all other forms of electronic communication with you. These records must be provided to regulatory authorities upon request.

Privacy and Confidentiality

INTL FCStone Markets Privacy explains our commitment to the protection of your personal information. You may obtain a copy of our Privacy Policy by visiting our website at intlfcstone.com.

You can request and consult on the design of a scenario analysis to allow you to assess your potential exposure in connection with this product.

Financial Crimes Monitoring

In order for INTL FCStone Markets to meet its regulatory and compliance obligations relating to anti-money laundering and counter financing of terrorism, we will be increasing the levels of control and monitoring we perform.

You should be aware that:

- Transactions may be delayed, blocked or refused where we have grounds to believe that they breach U.S. law or the law of any other country
- We may from time to time require additional information from you to assist us in the above compliance process
- Where legally obligated to do so, we may disclose the information gathered to regulatory and/or law enforcement authorities

You must not initiate or conduct a transaction that may be in breach of U.S. law or the law of any other country.

Glossary

Eligible Contract Participant (“ECP”) – ECPs are entities or individuals who meet certain monetary thresholds or who have sufficient regulated status as set forth in Section 1(a)(18) of the Commodity Exchange Act. The monetary thresholds required to qualify as an ECP differ depending on the type of entity. The text of the rule can be found via the following link: <http://www.law.cornell.edu/uscode/text/7/1a>

Knock-Out – A “**Knock-Out**” is an option that gives the buyer the right, but not the obligation, to buy or sell an underlying commodity, currency, or other position at a preset price. Unlike regular options, however, Knock-Out options expire worthless or are “Knocked-Out” if the underlying commodity or currency goes through a particular price level.

Initial Margin (or “Independent Amount”) – “**Margin**” is collateral that the holder of a financial instrument has to deposit to minimize credit risk. “**Initial Margin**” is the amount required to be posted upfront in order to open a position. The amount of initial margin required to be posted to support a customer’s OTC positions is set forth in swap master agreement or negotiated on a transaction-by-transaction basis by the parties.

Variation Margin (or “Exposure Collateral”) – “**Variation Margin**” is the amount of collateral required to be posted based on an estimate of the net mark-to-market exposure of the customer’s position.

Margin Call – When margin posted falls below the minimum margin requirement a “**Margin Call**” is issued. For over-the-counter derivatives margin calls are issued on a daily basis. Calls for margin are usually expected to be paid and received on the same day. Upon receipt of a margin call a customer must either increase the amount of collateral on deposit or close their position. If a margin call is not met within a pre-determined amount of time the party making the margin call has the right to close sufficient positions to meet the amount of the call.

Contact Details

Your advisor is your main point of contact, so if you have any questions regarding this product, please talk to your advisor.

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