Key Information Document – Rolling Spot Forex

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Rolling spot forex on an FX pair is offered by **StoneX Financial Ltd** ("SFL", "we" or "us"), a company registered in England and Wales, number 05616586. FOREX.com is a trading name of StoneX Financial Ltd which is authorised and regulated by the Financial Conduct Authority in the United Kingdom with reference number 446717. Call 0800 0321 948 or go to www.forex.com/en-uk/ for more information.

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You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

Rolling Spot Forex is a leveraged contract entered into with SFL on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying FX pair.

Rolling Spot Forex is always traded in currency pairs (e.g., EUR/GBP), and involves the simultaneous buying and selling of two different currencies. The first currency referenced in a currency pair (in our example EUR) is known as the base currency and the second (GBP) is known as the variable currency. The price of the Rolling Spot Forex contract is derived from the price of the underlying spot FX price. FX trading gives an investor the choice to buy (or go "long") the currency pair if they think the price of the base currency will rise in relation to the variable currency, or alternatively to sell (or go "short") if they think that the price of the variable currency will rise in relation to the base currency. For instance, if an investor is long on EUR/GBP Rolling Spot Forex and the price of the underlying FX pair rises, the value of the Rolling Spot Forex contract will increase - at the end of the contract SFL will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the spot price of the underlying FX pair falls, the value of the Rolling Spot Forex contract will decrease - at the end of the contract they will pay SFL the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all Rolling Spot Forex contracts has the effect of magnifying both profits and losses.

Objectives

The objective of the Rolling Spot Forex contract is to allow an investor to gain leveraged exposure to the movement in the value of the underlying FX pair (whether up or down), without actually needing to buy or sell the underlying FX pair. The exposure is leveraged since the Rolling Spot Forex contract only requires a relatively small proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading Rolling Spot Forex. By way of example, if EUR/GBP is trading at 0.84950 / 0.84960 and an investor buys a Rolling Spot Forex contract of 20,000 Lots with an initial margin amount of 3% and a bid price of 0.84950, the initial investment will be £509.70 (0.03 x 20,000 x 0.84950). The effect of leverage, in this case 33:1 (1 / 0.03%), means that for each 1 point change in the price of the underlying FX pair (to the fourth decimal place, here 0.84950) so the value of the Rolling Spot Forex changes by £2. For instance, if the investor is long and the market increases in value, a £2 profit will be made for every 1 point increase in that market. However, if the investor is short, a £2 loss will be incurred for each point the market decreases in value.

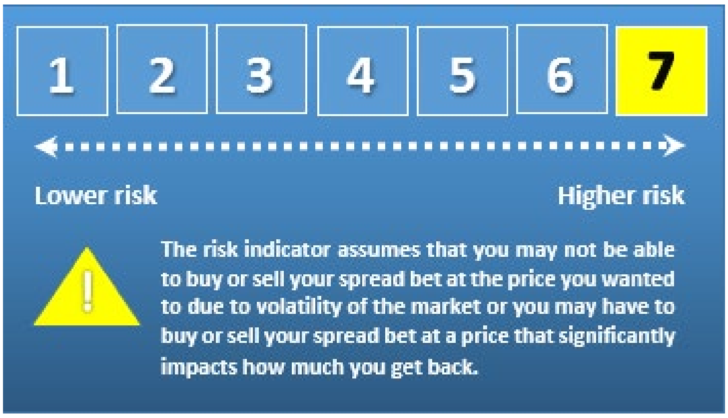
The Rolling Spot Forex contract does not have a pre-defined maturity date and is therefore open-ended. There is no recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. Failure to deposit additional funds in order to meet the margin requirement as a result of negative price movement may result in the Rolling Spot Forex contract being auto-closed. This will occur when losses exceed the initial margin amount. SFL also retains the ability to unilaterally terminate any Rolling Spot Forex contract where it deems that the terms of the contract have been breached.

Intended Retail Investor

Rolling Spot Forex is intended for investors who have knowledge of, or are experienced with, leveraged products and who are looking to gain a short-term exposure to financial instruments. Likely investors will understand how the prices of Rolling Spot Forex are derived, the key concepts of margin and leverage. Indeed, they will understand the risk/reward profile of the product compared to traditional share dealing. Investors will also have appropriate financial means and the ability to bear losses.

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance of the product at a very high level.

There is no recommended or minimum holding period for this product. Please see below section: “How long should I hold it and can I take money out early?”

Rolling Spot Forex contracts are leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk. Even though losses may be incurred, Retail clients are subject to negative balance protection which means that your losses cannot exceed the amount invested.

Be aware of currency risk. It is possible to buy or sell Rolling Spot Forex in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Market conditions may mean that your Rolling Spot Forex trade on an FX pair is closed at a less favourable price, which could significantly impact how much you get back. We may close your open Rolling Spot Forex contract if you do not maintain the minimum margin that is required, if you are in debt to SFL, or if you contravene market regulations. This process may be automated.

This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section “what happens if we are unable to pay you”). The indicator shown above does not consider this protection.

Performance Information

When trading spot FX, you are trading a currency pair. This means you are buying one currency (base currency) while selling another (quote currency) because you believe one of the currencies will strengthen against the other.

Spot markets can be traded using CFDs or Spread Bets (“SB”), both leveraged financial derivatives that follow the price of an underlying market.

Spreads will affect the returns of your investment. Forex spot prices may be affected by factors such as inflation, interest rates, geopolitical events, government policy and economic factors.

What could affect my return positively?

If you buy the currency pair (go long) and the base currency rises in value against the quote you will make a profit.

If you sell the currency pair (go short) and the quote currency rises in value against the base, you will make a profit.

What could affect my return negatively?

If you buy the currency pair (go long) and the base currency decreases in value against the quote you will make a loss.

If you sell the currency pair (go short) and the quote currency decreases in value against the base, you will make a loss.

Severely adverse market conditions can negatively impact your positions. If your margin level is at or below the margin close-out level, we will close any or all of your open positions as quickly as possible. This may result in the loss of your entire account balance.

What happens if SFL is unable to pay out?

If SFL is unable to meet its financial obligations to you, you may lose the value of your investment. SFL segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. SFL also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. See www.fscs.org.uk.

What are the costs?

Trading a Rolling Spot Forex contract on an underlying FX pair incurs the following costs:

This table shows the different types of cost categories and their meaning			
Cash	**One-off entry or exit costs**	**Spread**	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade.
		Currency conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Cash	**Ongoing costs**	**Daily holding cost**	A fee is charged to your account for each night you position is held. This means the longer you hold a position, the more it costs.
Cash	**Incidental costs**	**Distributor fee**	We may from time to time share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.

How long should I hold it and can I take money out early?

Rolling Spot Forex contracts are intended for short-term trading, in some cases intraday, and are generally not suitable for long-term investments. There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a Rolling Spot Forex contract on an FX pair at any time during market hours.

How can I complain?

If you wish to make a complaint, you should contact our Client Management Team on 0800 0321 948, by emailing ukinfo@forex.com or in writing to StoneX Financial Ltd, 1st Floor, Moor House, 120 London Wall, London, EC2Y 5ET. If you do not feel that your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading.

The Terms and Policies section of the FOREX.com website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

Our Market Information sheets contain additional information on trading a Rolling Spot Forex contract on an underlying FX pair. These can be found on the trading platform.

For retail clients, a margin close out rule is applied on an account level basis. This means that when the value of the account falls below 50% of the initial margin requirement (that was paid to enter into all of the open Rolling Spot Forex positions at any point in time), one or more Rolling Spot Forex positions will be closed out. We may set a higher percentage than 50%.

You should ensure that you read the General Terms, including Risk Warning, Order Execution Policy and more which can be found in the Terms and Policies section of our website: https://www.forex.com/en-uk/terms-and-policies/overview/. Such information is also available on request.