

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.

Product

Spread bets on an election market are offered by **StoneX Financial Ltd** ("SFL", "we" or "us"), a company registered in England and Wales with registration number 05616586. StoneX Trading 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 060 8609 or go to www.stonex.com/en-gb/individuals/ 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**

A spread bet ("SB") is a leveraged contract entered into with SFL on a bilateral basis. It allows an investor to speculate on the rise or fall of the predicted value for an election market.

An investor has the choice to buy (or go "long") the SB to benefit from a rise in the election markets prices; or to sell (or go "short") the SB to benefit from a fall in the election markets price. The price of the SB is derived from an aggregated feed of odds for the election seat markets. For instance, if an investor is long a Political Party A SB and the price of the election market rises, the value of the SB 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 price of the election market falls the value of the SB will decrease - at the end of the contract the investor will pay SFL the difference between the closing value of the contract and the opening value of the contract. If the contract is held over expiry the closing value will be the stated settlement terms of that contract.

Objectives

The objective of the SB is to allow an investor to gain leveraged exposure to the movement in the predicted value of the election market (whether up or down). The exposure is leveraged since the SB only requires a proportion of the notional value of the contract to be paid up front as initial margin and is one of the key features of trading SBs. By way of example, if an investor buys a SB worth £10 per point with an initial margin amount of 20% and a Political Party Seat price of 450, the initial investment will be £900 ($20\% \times 450 \times 10$). The effect of leverage, in this case 5:1 ($1 / 20\%$) has resulted in a notional value of the contract of £4500 ($£900 \times 5$). This means that for each 1 point change in the price of the election market, the value of the SB changes by £10. For instance, if the investor is long and the market increases in value, a £10 profit will be made for every 1 point increase in that market. However, if the market decreases in value, a £10 loss will be incurred for each point the market decreases in value. Conversely, if an investor holds a short position, a profit is made in line with any decreases in that market, and a loss for any increases in the market.

A SB on the election seat markets has a pre-defined maturity date at which it will be terminated and closed.

Failure to deposit additional funds in order to meet the margin requirement as a result of a negative price movement may result in the SB being automatically terminated by SFL. This will occur when losses exceed the initial margin amount.

SFL also retains the ability to unilaterally terminate any SB contract and any of your other open positions where certain events of default have occurred with respect to you (e.g., failing to maintain sufficient margin in your account).

Intended Retail Investor

SBs are intended for investors who have knowledge of, or are experienced with, leveraged products and who are looking to gain a short-term exposure to equity indices. Likely investors will understand how the prices of SBs are derived and the key concepts of margin and leverage. They will understand the risk/reward profile of the product. 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?](#)” SBs 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 funds in your account (which includes any funds that are not required to be maintained as margin to keep your positions open).

Be aware of currency risk. The product is only offered in GBP to clients who have GBP accounts. Therefore, there is no currency risk associated with the product.

Market conditions may mean that your SB is closed at a less favourable price, which could significantly impact how much you get back. We may close your open SB positions 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 A SB is a leveraged financial derivative that follows the price of an underlying election market. A SB will make gains or incur losses as a result of price movements in the underlying asset. A SB will be quoted with a buy price and a sell price, with the difference being the spread fee. Spreads will affect the returns of your investment. The price of a SB may be affected by factors such as economic news, company financial results, company announcements, changes to an index’s composition and commodity prices.

What could affect my return positively?

A position that is taken at a buy price (going long) will make a profit if closed at a higher sell price.

A position that is taken at a sell price (going short) will make a profit if closed at a lower buy price.

What could affect my return negatively?

A position that is taken at a buy price (going long) will incur a loss if closed at a lower sell price.

A position that is taken at a sell price (going short) will incur a loss if closed at a higher buy price.

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 SB on an underlying index incurs the following costs:

This table shows the different types of cost categories and their meaning

Cash and futures	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.
Cash only	Ongoing costs	Daily holding cost	A fee is charged to your account for each night that your position is held. This means the longer you hold a position, the more it will cost.
Cash and futures	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.

Additional charges increase the overall cost of trading, and overnight financing can have a material impact on trading performance.

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

SBs 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 SB on an index 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 060 8609, by emailing uksupport@stonex.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.

You can also refer to the European Commission's Online Dispute Resolution Platform, however it is likely that you will be referred to the FOS.

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 StoneX Trading 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.

The Market Information Sheets contain additional information on trading a SB on an underlying index. These can be found on the trading platform.

For retail clients, a mandatory margin close-out rule is applied on an account level basis. This means that when the value of your account (i.e., the net profit and loss, any deposited margin and any other funds) falls below 50% of the initial margin requirement (that was paid to enter into all of the open CFD and/or spread bet positions at any point in time), one or more of your CFD and/or spread bet positions will be closed out. We may set a higher percentage than 50%.

Retail clients who trade leveraged CFDs and spread bets have the benefit of negative account balance protection. Where this is the case, your liability will be limited to the funds in your account (which includes any funds that are not required to be maintained as margin to keep your positions open, regardless of whether those positions relate to this product).

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.stonex.com/en-gb/terms-and-policies/>

Such information is also available on request.