STONEX FINANCIAL INC.
FCM Division

StoneX Financial Inc.
FCM Division
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DISCLOSURE DOCUMENT

PURSUANT TO COMMODITY FUTURES TRADING COMMISSION REGULATION 1.55

This Disclosure Document was last updated on April 30, 2023

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COMMODITY FUTURES TRADING COMMISSION RULE 1.55(K):

FCM-SPECIFIC DISCLOSURE DOCUMENT

The Commodity Futures Trading Commission ("Commission") requires each futures commission merchant ("FCM"), including StoneX Financial Inc. ("the Firm", "the FCM Division", or "SFI") to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. StoneX Financial Inc. is registered both as an FCM as well as broker dealer with the Financial Industry Regulatory Authority ("FINRA"). The information set out below is related to the FCM Division only of the Firm as required by CFTC Regulation 1.55(k). Except as otherwise noted below, the information set out is as of September 30, 2022. StoneX Financial Inc. will update this information annually and as necessary to take account of any material change to its business operations, financial condition, or other factors that StoneX Financial Inc. believes may be material to a customer's decision to do business with the Firm. Nonetheless, the Firm's business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.

NOTE: StoneX Financial Inc. is a subsidiary of StoneX Group Inc. Information that may be material with respect to the FCM Division for purposes of the Commission's disclosure requirements may not be material to StoneX Group Inc. for purposes of applicable securities laws. StoneX Group Inc. is a public company listed on the NASDAQ and financial information regarding the company can be found on the company's website (www.stonex.com).

I. Firm Information

A. StoneX Financial Inc. – FCM Division Contact Information

Main Address	**329 N. Park Avenue** **Suite 350** **Winter Park, FL 32789**
FCM Division Operations Business Address	**230 S. LaSalle Street** **10-500** **Chicago, IL 60604**
Phone Number	**(312) 780-7037**
Fax Number	**(816) 817-0843**
Contact Email	**compliance@stonex.com**
Website	**www.stonex.com**
NFA ID	**0476094**

II. Firm Principal Information

Charles Lyon, Chief Executive Officer, President of the Firm, and Director
Charles Lyon is the Chief Executive Officer and President of the Firm. Mr. Lyon began his career at the predecessor of StoneX Financial Inc. in 1999. Prior to taking on his current role with the Firm in May 2023 he worked on several parts of the trading desk from operations to trading and sales, eventually serving as Executive Vice President of the BD Division where he was responsible for the expansion of market-making capabilities into ETF's, NASDAQ, and NYSE-listed ADR's; Municipal Securities Underwriting and Execution; and an ADR swap desk. Mr. Lyon played a major role in leading the securities business to multiple record years from 2002-2008. His work includes the addition of business lines for clients throughout Latin America; the addition of a securities clearing business for clients via the Pershing Platform; and the addition of former G.X. Clarke & Co. Team. His duties include overseeing the daily operations of the BD division. His areas of responsibility include the overall management of the Firm including building a leading market-focused execution and clearing business, expanding the footprint of the company's operation, and seeking high value franchises that can add value and capabilities for customers. He is located out of the Firm's 329 Park Avenue North, Suite 350, Winter Park, Florida, 32789 office.

Xuong Nguyen, Chief Operating Officer and Director
Xuong Nguyen is the Chief Operating Officer for StoneX Group Inc. He was the Chief Operating Officer and then Chief Executive Officer of its predecessor FCM firm (FCStone, LLC) prior to taking over in this role. Previously, he also served as Chief Operating Officer and in other senior management roles in operations, accounting, and project management at a large broker dealer and multiple banks. Mr. Nguyen has over 22 years of experience in the derivatives, futures and options market space with a thorough understanding of the life cycle from execution, confirmation, clearing, and settlements. His main area of responsibility is overseeing the aspects of the day-to-day operations of all departments in the company. In addition to overseeing the Firm's day-to-day operations, his duties also include overseeing the broker base, strategic planning, and project management. He is located out of the 230 South LaSalle Street, Suite 10-500, Chicago, Illinois, 60604 office.

William Dunaway, Chief Financial Officer and Director
William Dunaway has served as the Chief Financial Officer of StoneX Group, Inc. (f/k/a INTL FCStone Inc.) since October 2009. Prior to that, he served as the Chief Financial Officer of FCStone Group, Inc. since January 2008. Mr. Dunaway has over 20 years of industry experience with the company, or one of its predecessor companies, previously as Executive Vice President and Treasurer. His main area of responsibility is ensuring that the Firm is in compliance with all financial and accounting rules and regulations. His duties include overseeing the regulatory accounting, accounting, and risk departments for the Firm and its affiliates on a day-to-day basis. He is also involved in strategic planning for the Firm, its affiliates, and the parent company. He is located out of the 1251 NW Briarcliff Parkway, Suite 800 Kansas City, Missouri, 64116 office.

Timothy Mundt, Head of FCM Operations
Tim Mundt was promoted to Chief Operations Officer with predecessor firm FCStone, LLC in February 2014 and continues to serve in that role in the FCM Division on StoneX Financial Inc. In addition this role, Mr. Mundt also serves as the Global Head of Derivatives Operations for the StoneX Group Inc. He joined the company in January 2012 as Global Head of FCM Operations. Prior to that, Mr. Mundt was a Senior Vice President in charge of North American Futures Operations at several large FCM's from 2001 until 2011. His areas of responsibility include overseeing back-office functions including account management,

deliveries, balancing, treasury, customer service and trade platform support. His duties also include overseeing the Firm's clearing relationships in addition to overseeing the Firm's Operations Department. As Global Head of Operations, he is also responsible for overseeing the operations departments of the Firm's affiliates worldwide. He is located out of the 230 South LaSalle Street, Suite 10-500, Chicago, Illinois, 60604 office.

Alexander R. Bobinski Jr., Chief Compliance Officer - FCM Division
Mr. Bobinski is currently the Chief Compliance Officer of the FCM Division. He has worked at StoneX Financial Inc. since August 2020 and is a licensed CPA. His areas of responsibility include overseeing the Firm's compliance departments; helping the Firm ensure material compliance with CFTC, NFA and Exchange regulations; and preparing the Firm's annual Chief Compliance Officer Report. Mr. Bobinski also serves in other rolls including the Chief Compliance Officer of affiliate StoneX Markets LLC (a provisionally registered swap dealer) and as Chief Executive Officer of affiliate Gain Capital Group, LLC (an FCM and Retail Foreign Exchange Dealer). Mr. Bobinski started his career at GAIN Capital in August 2005 as the CFO. He served as CFO until November 2012. Mr. Bobinski served as the CCO of GAIN Capital from July 2006 to January 2015 and CEO from September 2012 to January 2023. Prior to joining GAIN Capital, Mr. Bobinski was involved in various roles with other futures industry registrants. He is located in the 30 Independence Blvd, Suite300, Warren, NJ 07059 office.

Steve Ptasinski, Director of Regulatory Accounting
Steve Ptasinski is the Director of Regulatory Accounting for StoneX Financial Inc. He has over twenty years of experience in the financial services industry and has worked for a variety of FCMs and broker dealers including Linnco Futures Group, BMO Capital Markets, and UBS Securities LLC prior to joining the Firm. His day-to-day responsibilities include overseeing regulatory financial requirements for all divisions of the Firm including overseeing the Firm's regulatory financial reports, including the Firm's net capital calculation, segregated accounts calculation, and secured amounts calculation on a daily and monthly basis. His main area of responsibility is to ensure the Firm maintains regulatory capital and segregation compliance to meet both futures and securities rules and regulations. He is located out of the 230 South LaSalle Street, Suite 10-500, Chicago, Illinois, 60604 office.

Oscar Schaps, Vice President, Latin America, FCM Division
Mr. Schaps is the Vice President of the Latin America Division of the FCM Division of StoneX Financial Inc. Mr. Schaps holds a bachelor's degree, in Agriculture Economics from University of Florida ('86) and has 25 years of professional experience in risk management. Mr. Schaps started his career as a Risk manager when he joined Hencorp Futures, LLC in 1989, as a coffee specialist and joined StoneX Financial Inc. (f/k/a INTL FCStone Financial Inc.) in 2010 when it acquired Hencorp Futures, LLC. Mr. Schaps was President of Coffee Network, LLC and held a board seat on the National Coffee Association of America. His areas of responsibility include overseeing the Firm's Latin America customer base and building out that area of business. His duties include overseeing the Firm's Associated Persons who solicit for soft commodities business. He is located out of the 333 SE 2nd Avenue of the Americas, 21st Floor, Miami, FL 33131 office.

David Smoldt, Vice President, Commodities, FCM Division
Dave Smoldt began with the predecessor of FCStone Group, Inc. in 1985 and now holds the title of Vice President of the Commodities Division, FCM Division of StoneX Financial Inc. Mr. Smoldt was employed first as a risk management consultant, then Regional Director, then Vice President of Operations for the FCM and now as the Vice President, Commodities Division, FCM Division. He handles and assists the consultants in providing the best risk management services in the industry and in building new customer relationships. His areas of responsibility include overseeing the Firm's agricultural customer base and building out that area of business. His duties include overseeing the Firm's Associated Persons who

solicit for agricultural (corn, soybeans, etc.) business. He is located out of the 1251 NW Briarcliff Parkway, Suite 800 Kansas City, Missouri, 64116 office.

Vincent Angelico, Vice President of Clearing & Execution Services, FCM Division
Vincent Angelico is the Head of Professional Trader Group and Institutional Futures and Options, CES at the FCM Division of StoneX Financial Inc. He has been employed with predecessor FCStone, LLC since 2004 and had several titles over the past 10 years. He became a member of the New York Board of Trade (NYBOT) in 1995 and traded Sugar, then a market maker in equities, and Vincent took a position as a trader at Hill Thompson Magid and Company which later became a division of RBC capital markets. Mr. Angelico traded equities from 1996-2004. In 2004 he transitioned back to commodities and became a member of COMEX and NYMEX and traded on those exchanges. His areas of responsibility include overseeing and growing the Firm's execution and professional trader customer base. His duties include overseeing the Firm's Associated Persons who solicit for execution and professional trader business. He is located out of the 230 Park Avenue, 10th Floor, New York, New York, 10169 office.

Mark Maurer, Director
Mark Maurer currently serves as the Chief Risk Officer as well as a Director of StoneX Financial Inc.. Mr. Maurer joined the Company in 2010 following INTL's acquisition of Hanley Trading Group. Mr. Maurer was appointed Chief Executive Officer of affiliate StoneX Markets LLC (f/k/a INTL FCStone Markets, LLC) in March of 2014. Mr. Maurer served as the Head of Risk for StoneX Markets LLC prior to his appointment to the CEO role. Mr. Maurer was previously involved in overseeing several business lines of the FCM Division of StoneX Financial Inc. He was added as a Director of the Firm in October 2018 with responsibility for overseeing the long-term strategies and operations of the Firm. In July 2021, Mr. Maurer took on the role of Chief Risk Officer for StoneX Group Inc., the parent company of StoneX Financial Inc., as well as serving in that role for the Firm. He is located out of the 230 South LaSalle Street, Suite 10-500, Chicago, Illinois, 60604 office.

Sean O'Connor, Director and Chairman of the Board
Sean M. O'Connor joined the predecessor of StoneX Group Inc. (f/k/a INTL FCStone Inc.) in October 2002 as Chief Executive Officer and was elected to the Board of Directors in December 2002. Prior to that, Mr. O'Connor was Chief Executive Officer of Standard New York Securities, a division of Standard Bank. From 1999 until 2002, Mr. O'Connor also served as Executive Director of Standard Bank London, Ltd., a United Kingdom bank and subsidiary of the Standard Bank of South Africa. His main area of responsibility is overseeing the strategic vision for the entire StoneX Group Inc. network. His duties include project management, long-term strategic planning, and managing new business acquisitions. He has been registered with StoneX Financial Inc. since 2002 and recently served as the CEO and President of the Firm until May 2023. He is located out of the 230 Park Avenue, 10th Floor, New York, New York, 10169 office.

Phillip A. Smith, Director
Phillip A. Smith was appointed director to StoneX Financial Inc.'s Board in December 2015. Mr. Smith was appointed Chief Executive Officer of Europe, Middle East and Africa operations for StoneX Group Inc.in July 2008. Mr. Smith joined the Company in 2004 following its acquisition of Global Currencies Ltd, a U.K. foreign exchange payments company which Mr. Smith joined in 1996 and was made a director of in 1999. Following its acquisition in 2004 Mr. Smith became CEO of INTL Global Currencies Ltd until its consolidation into StoneX Financial Ltd (f/k/a INTL FCStone Ltd) in 2014. Mr. Smith is also the Chief Executive Officer of INTL FCStone Ltd. As a director only for StoneX Financial Inc., Mr. Smith is not involved in the day-to-day operations of the firm but he responsible for overseeing the long-term strategies and operations of the Firm as a Director. He is located out of the Firm's affiliate's office in the UK, Moor House, 1st Floor, 120 London Wall, London, UK, EC2Y 5ET.

III. Firm's Business

A. General Information:

The FCM Division of StoneX Financial Inc. provides clearing and execution of listed futures and options-on-futures contracts on all major commodity exchanges worldwide as well as providing value-added advisory services in a variety of financial markets by working with commercial clients to systematically identify and quantify exposures to commodity price risks. We provide these services to customers in two business segments, Commercial Hedging and Clearing and Execution Services. StoneX Financial Inc. - FCM Division is subject to oversight by the CFTC.

B. Percentage of Assets and Capital in Each Activity:

As of April 30th,2023, the FCM Division comprises 40% of total assets and 11% of regulatory capital usage and the Broker Dealer Division comprises 60% of total assets and 89% of regulatory capital usage.

C. StoneX Financial Inc.'s – FCM Division Exchange Membership Information as of September 30, 2022:

Chicago Mercantile Exchange (CME)	Full clearing member
Chicago Board of Trade (CBOT)	Full clearing member
New York Mercantile Exchange (NYMEX)	Full clearing member
Commodity Exchange (COMEX)	Full clearing member
ICE Futures US	Full clearing member
ICE Futures Europe	Full clearing member
ICE Futures Abu Dhabi	Full clearing member
Small Exchange Inc.	Full-clearing member (clear through membership in OCC)
Minneapolis Grain Exchange (MGEX)	Full clearing member
Dubai Mercantile Exchange (DME)	Full clearing member (through CME affiliation)
Nodal Clear	Full clearing member
Bitnomial Exchange	Full clearing member
CBOE Futures Exchange (CFE)	Clearing Member (clear through membership in OCC)
Euronext Paris	Non-clearing member
Euronext Amsterdam	Non-clearing member
Eurex (Deutsche Borse)	Full clearing member
Cleartrade Exchange Pte Limited d/b/a EEX Asia	Non-clearing member (brokering member)

IV. FCM Customer Business

A. General Information

The FCM Division business includes the following:

The FCM Division provides full service, 24-hour futures and options brokerage, advisory, clearing and execution services on commodity exchanges worldwide. Please see the list above for a list of the Firm's exchange memberships.

As of September 30, 2022, the Firm had approximately 32,400 futures customers, of which approximately 59% are in the CRM Division which is comprised mostly of mid-market commercial customers who utilize the exchange traded markets to hedge their commodity price risk. The remaining 41% of the customers are in the CES Division which is comprised mostly of institutional, professional trading, and speculative clients. The FCM Division executes and provides clearing access in numerous markets including exchange traded markets in Asia, Australia, Europe, Brazil, and the United States.

Within the CRM Division customer base, the largest concentration of customers is involved in hedging activities involving agricultural as well as other commodities from grain cooperatives and producers of grain. On average, the Firm's commercial grain and processing customers hedge 3 to 4 billion bushels of grains and oil seeds with 500-700 grain merchandising and processing customers continuously offering a price for the farmer's production; therefore, leading to the need for this agriculture base to hedge its customer risk. The CRM Division also includes customer bases primarily trading in energy products and soft commodity products. The majority of these hedging producers tend to engage in hedging activities on the production side of the business, and thus enter into short commodity futures and, to a lesser extent, options on futures which protect the producer against falling commodity prices on the physical commodities they own. The CRM Division accounts for approximately 10% of the trade volume for the Firm.

The primary customer base in the CES Division includes institutional and professional traders that are floor brokers, day traders, proprietary trading firms, spread traders, Commodity Trading Advisors, and commodity pools. The CES Division customer base is also made up of the Retail Futures Division, which is primarily retail customers. The Retail Futures Division represents approximately 80% of the active accounts for the CES Division. The CES Division accounts for approximately 90% of the trade volume for the Firm.

Both domestic and non-domestic customers have the ability to trade on exchanges throughout the world for which StoneX Financial Inc. is able to provide access but trade a significant volume on CME Group and ICE exchanges.

B. Carrying Brokers Used and Clearing House Memberships

Carrying Brokers	Affiliate (Y/N)
StoneX DTVM Ltda	Y
StoneX Financial Ltd.	Y
StoneX Financial (Canada) Inc.	Y
StoneX Financial Pte Ltd	Y
BMO Capital Markets	N
SG Americas Securities LLC	N

Clearing Houses	Affiliate (Y/N)
CME Group	N
ICE Clear US	N
ICE Clear Europe	N
Minneapolis Grain Exchange	N
Options Clearing Corporation	N
Eurex Clearing AG	N
Nodal Clear	N

C. Permitted Depositories, Custodians, and Counterparties

The FCM Division defines risk as the exposure to adverse consequences arising from internal or external changes, actions, events, decisions and/or circumstances that have the potential to reduce shareholder value. StoneX Group Inc. has developed a Global Risk Management Framework ("GRMF") which it applies to all subsidiaries, including StoneX Financial Inc. The GRMF facilitates strategic and operational decisions that enable the FCM Division to achieve their business objectives while optimizing risk-adjusted returns. The FCM Division has designed its GRMF to meet the needs of the business, customers, and shareholders, as well as the prudential standards expected by global regulators. In support of this objective, the Firm continually reviews, develops, refines and improves its risk-management policies and practices to reflect the Firm's changing risk environment in a dynamic industry, on a global basis.

StoneX Financial Inc.'s Board of Directors ("BOD") sets the corporate strategy of utilizing a centralized and disciplined process for capital allocation, risk management and cost control, while delegating the execution of strategic objectives and the day-to-day management to experienced individuals. Risk management objectives and tolerance levels are established by the BOD, with on-going monitoring by the BOD's Risk Committee ("BRC"), comprised of non-executive members of the Company. The BRC delegates the implementation of risk policies to the Risk Management Committee ("RMC"), which meets bi-monthly to establish procedures, set and approve limits, and review exposures. The RMC Chairman shall be the Chief Risk Officer Risk ("CRO"), who is appointed by the BOD and reports to the Chief Financial Officer ("CFO"). Members of the RMC are appointed by the Chairman of the RMC in consultation with the CFO. The RMC, in turn, delegates the monitoring of compliance and evaluation of customers to the Risk Management Department ("RMD"), which reviews market and credit risk exposures reports on a daily basis. Exposures, as well as approved and unapproved excesses, are reported to the RMC. Risk management reports are presented quarterly to the BRC of BOD for its review by the CRO.

D. Policies Concerning Choice of Depositories, Custodians, and Counterparties to permitted transaction under CFTC Regulation 1.25

In accordance to CFTC Regulation 1.11(e)(3)(i)(A), effective July 2014, StoneX Financial Inc. – FCM Division implemented procedures to evaluate all depositories holding segregated funds, foreign or domestic, including any affiliates or related entities. Effective as of the date of this regulation the Risk Management Committee ("RMC") will be responsible for reviewing any new segregated depositories. The evaluation consists of ascertaining the depository's creditworthiness, capitalization, operational reliability, access to liquidity, availability of deposit insurance, extent of regulation and supervision, and concentration of funds in one depository. The FCM Division also conducts reviews on at least an annual basis to re-evaluate the depositories to determine if they meet the Firm's criteria.

V. Material Risks

A. General Risks

The Firm's operations expose it to credit risk of default of our customers. These risks include liquidity risk to the extent customers are unable to make timely payment of margin or other credit support. These risks expose the Firm indirectly to the financing and liquidity risks of customers, including the risks that customers may not be able to finance their operations. As a clearing broker, the Firm acts on behalf of customers for all trades consummated on exchanges. The Firm must pay initial and variation margin to the exchanges, in general, before it receives the required payments from customers. Accordingly, the Firm is responsible for customers' obligations with respect to these transactions, which exposes the Firm to credit risk. Customers are required to make any required margin deposits the next business day, and the Firm requires its largest customers to make intra-day margin payments during periods of significant price movement. Clients are required to maintain initial margin requirements at the level set by the respective exchanges, but the Firm has the ability to increase the margin requirements for customers based on their open positions, trading activity, market conditions, or in its discretion.

B. Investments Made by StoneX Financial Inc.

In order to ensure that it is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing business obligations, the Firm holds a significant portion of its assets in cash, as well as US Treasury securities guaranteed as to principal and interest. The Firm may also invest in other short-term highly liquid instruments.

CFTC Regulations prescribe that the Firm take into account credit quality, weighted average maturity, and weighted average coupon upon making decisions relating to the investment of customer funds pursuant to CFTC Regulation 1.25. Currently, the Firm has limited its investments of customer funds to US government obligations. The Firm may choose, based on the decisions of Senior Management, to re-invest funds in accordance with CFTC Regulations in different obligations based on but not limited to: liquidity needs, economic climate, and its customer base.

The Firm utilizes four of its regulated affiliates in the capacity of carrying brokers for customer secured funds and is required to post customer margin at these entities pursuant to regulatory requirements. In addition, the Firm acts as a carrying broker for several regulated affiliates and such affiliates are required to post margin pursuant to regulatory requirements. However, the Firm does not invest in any of its affiliates, nor does it invest customer funds with any affiliated entity. The Firm's significant liabilities consist of its liability to its customers; it does not have any other significant liabilities, contingent or otherwise.

As of the date of the most recent available financials of April 30th, 2023, the Firm maintained excess net capital of $172.7 million over its capital requirement of $225,113 million and principal liabilities of approximately $6.0 billion to segregated and secured customers. Regarding creditworthiness and liquidity, while the Firm does not maintain a credit rating, as it has no publicly traded debt securities, 99% of its assets are current assets as defined by CFTC regulations and represent cash; deposits and receivables from exchange-clearing organizations, registered FCMs and foreign commodity brokers; and marketable financial instruments and investments. The marketable financial instruments and investments have a weighted average time to maturity of 1.89 months and no coupon bearing securities - just T-bills. The Firm utilizes NFA's definition of leverage pursuant to NFA Financial Requirement Section 16(e)(i)(2) and calculated its leverage as of April 30th, 2023,as 7.3 to 1.

VI. Designated Self-Regulatory Organization

StoneX Financial Inc. – FCM Division's designated self-regulatory organization is Chicago Mercantile Exchange, Inc. ("CME"). For more information, please see www.cmegroup.com. The Firm's Designated Examining Authority ("DEA) for its registration as a broker-dealer is FINRA.

VII. Material Complaints or Actions

Listed below are material administrative, civil, enforcement, or criminal complaints or actions filed against StoneX Financial Inc. – FCM Division (f/k/a INTL FCStone Financial Inc. - FCM Division) where such complaints or actions have not concluded and any material enforcement actions or complaints filed against ~~the~~ StoneX Financial Inc. - FCM Division in the past three years.

- On March 16, 2023, the Clearing House Risk Committee at CME Group found that StoneX Financial, Inc. violated Customer Gross Margining Technical Overview Requirements and CME Rule 980.G. Pursuant to an offer of settlement in which StoneX Financial, Inc. neither admitted nor denied the rule violations upon which the penalty is based, the Clearing House Risk Committee imposed a $100,000.00 fine which was effective on March 16, 2023.

- On January 20, 2023, the Clearing House Risk Committee at CME Group found that StoneX Financial Inc. violated CME Rules 930.A and 930.F. Pursuant to an offer of settlement in which StoneX Financial, Inc. neither admitted nor denied the rule violations upon which the penalty is based, the Clearing House Risk Committee imposed a $50,000 fine which was effective on January 20,2023.

- On July 20, 2022, a subcommittee on the ICE Future US's Business Conduct Committee determined that in numerous instances between May 2020 and May 2021 StoneX Financial Inc. and StoneX Markets LLC may have violated Exchange Rule 4.04 by engaging in improper pre-hedging and adopting a risk policy that may have motivated employees to engage in improper pre-hedging for certain contracts. In addition, the Committee found that StoneX Financial Inc. and StoneX Markets LLC may have violated Exchange Rules 4.01(a), 4.07(c), and 21.04. In accordance with the settlement offer, in which StoneX Financial Inc. and StoneX Markets LLC neither admitted nor denied the alleged rule violations, StoneX Financial Inc. and StoneX Markets LLC agreed to pay a collective monetary penalty of $425,000 and disgorge $225,606.80 in profits.

- On March 23, 2021, a subcommittee of the ICE Futures US's Business Conduct Committee determined that in numerous instances between February 2019 and May 2020, StoneX Financial Inc. ("StoneX"), formerly INTL FCStone Financial Inc., may have violated Exchange Rule 6.15(a) by failing to submit to the Exchange daily large trader reports on reportable customer positions and Exchange Rule 4.01(a) by failing to have proper processes for reporting large trader positions. The ICE Futures US Business Conduct Committee imposed a $75,000 fine on StoneX Financial Inc. which was effective on March 23, 2021.

- After a historic move in the natural gas market in November of 2018, INTL FCStone Financial Inc. – FCM Division ("IFF") experienced a number of customer deficits. IFF soon thereafter initiated NFA arbitrations, seeking to collect these debits, and has also been countersued and sued in a number of these arbitrations. These accounts were managed by Optionsellers.com, ("Optionsellers") who is a Commodity Trading Advisor ("CTA") authorized by investors to act as attorney-in-fact with exclusive trading authority over these investors' trading accounts. These accounts cleared through IFF. After this significant and historic natural gas market movement, the accounts declined below required maintenance margin levels. IFF's role in managing the accounts was limited. As a clearing firm, IFF did not provide any investment advice, trading advice, or recommendations to customers of Optionsellers who chose to clear with IFF. Instead, it simply executed and cleared trades placed by Optionsellers on behalf of Optionsellers' customers. Optionsellers is a CFTC registered CTA operating under a CFTC Rule 4.7 exemption from registration. Optionsellers engaged in a strategy that primarily involved selling options on futures products. The arbitrations between IFF, Optionsellers, and the Optionsellers customers are currently ongoing.

Further, StoneX Financial Inc. is subject to litigation and regulatory enforcement in the normal course of business. Except as discussed above, the current or pending civil litigation or administrative proceedings in which StoneX Financial Inc. is involved are not expected to have a material effect upon its condition, financial or otherwise. StoneX Financial Inc. vigorously defends, as a matter of policy, civil litigation, reparation, arbitration proceedings, and enforcement actions brought against it.

VIII. Overview of Customer Funds Segregation

Below is a basic overview of customer fund segregation, FCM management and investments, FCMs and joint FCM/broker dealers.

Customer Accounts. FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

(i) a **Customer Segregated Account** for customers that trade futures and options on futures listed on US futures exchanges;

(ii) a **30.7 Account** for customers that trade futures and options on futures listed on foreign boards of trade; and

(iii) a **Cleared Swaps Customer Account** for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, **Customer Funds**) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the Commission may permit by order. For example, the Commission has issued orders authorizing ICE Clear Europe Limited, which is registered with the Commission as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures US and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

Customer Segregated Account. Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, *i.e.*, designated contract markets, are held in a **Customer Segregated Account** in accordance with section 4d(a)(2) of the Commodity Exchange Act and

Commission Rule 1.20. **Customer Segregated Funds** held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;[1] or (iii) in the country of origin of the currency.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies[2] may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

As of April 30, 2023,the Firm had approximately $5.85 billion in required customer segregated assets.

30.7 Account. Funds that **30.7 Customers** deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, **30.7 Customer Funds**, and sometimes referred to as the **foreign futures and foreign options secured amount**, are held in a **30.7 Account** in accordance with Commission Rule 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of $1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. Return of 30.7 Customer Funds to the US will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

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1 Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

2 Money center currencies mean the currency of any money center country and the Euro.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, Commission Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

As of April, 30, 2023 the Firm had approximately $231.4 million in required customer secured assets.

Cleared Swaps Customer Account. Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, *i.e.*, **Cleared Swaps Customer Collateral**, are held in a **Cleared Swaps Customer Account** in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers

As of April 30, 2023, the Firm no longer offers Clears Swaps to customers.

Investment of Customer Funds. Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Rule 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

(i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);

(ii) General obligations of any State or of any political subdivision thereof (municipal securities);

(iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);[3]

(iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;

(v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);

(vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and

(vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, *i.e.*, Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of Commission Rule 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.[4]

No SIPC Protection. It is important to understand that the funds you deposit with StoneX Financial Inc. for trading futures and options on futures contracts on either US or foreign markets or cleared swaps are not protected by the Securities Investor Protection Corporation.

Further, Commission rules require StoneX Financial Inc. to hold funds deposited to margin futures and options on futures contracts traded on US designated contract markets in Customer Segregated Accounts. Similarly, StoneX Financial Inc. must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, StoneX Financial Inc. may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (*e.g.*, securities, Customer Segregated, 30.7) to an account's

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3 Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association are permitted only while these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.

4 As discussed below, NFA publishes twice monthly a report, which shows for each FCM, *inter alia*¸ the percentage of Customer Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM.

margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically owned under margined account.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at www.fia.org.

IX. Filing a Complaint

A customer that wishes to file a complaint about the Firm's FCM Division or one of its employees with the Commission can contact the Division of Enforcement by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382) or electronically at https://forms.cftc.gov/Forms/TipsAndComplaints.aspx.

A customer that may file a complaint about the Firm's FCM Division or one of its employees with the National Futures Association electronically at https://www.nfa.futures.org/complaintnet/complaint.aspx or by calling NFA directly at 800-621-3570.

A customer that wishes to file a complaint about the Firm's FCM Division or one of its employees with the Chicago Mercantile Exchange electronically at: http://www.cmegroup.com/market-regulation/file-complaint.html or by calling the CME at 312-341-7970.

X. Relevant Financial Data

StoneX Financial Inc. is a wholly owned subsidiary of StoneX Group Inc. StoneX Group Inc. is a public company listed on the NASDAQ and financial information regarding the company can be found on the company's website (www.stonex.com).

Current financial information for StoneX Financial Inc. – FCM Division can be found at:

https://stonex.com/FCStone-Public-Disclosure/

Financial data listed below is as of the most recent month-end from when the Disclosure Document is prepared which was April 30th,2023:

Total Equity	$655million
Adjusted Net Capital Excess Net Capital	$520million $231.4million
Total Net Worth	$556.9million (Total Equity less Non-allowable Assets)
Dollar value of proprietary margin requirements as a percentage of aggregate margin requirements for futures customers and 30.7 customers, as applicable	0.49% as the firm has minimal proprietary positions; however, the affiliates of the firm have a margin requirement of approximately $140.7 million or 5.3%.
The number of futures customers, cleared swaps customers, and 30.7 customers that comprise 50 percent of the Firm's total funds held for futures customers and 30.7 customers, respectively	Segregated: approximately 30 customers 30.7 (Secured): approximately 14 customers
The aggregate notional value, by asset class, of all non-hedged, principal over-the counter transactions into which the Firm has entered is zero.	$0
The amount, generic source and purpose of any committed unsecured lines of credit, the Firm has obtained but not yet drawed upon.	The Firm has a committed, unsecured line of credit of $75 million with a bank that it may draw upon at any time. As of the date of this document, $75 million is available to draw. The Firm has a Delivery Line of Credit in the amount of $75 million. At the date of the document, $ 75 million is available to draw.
The aggregated amount of financing the Firm provides for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices	0%
The percentage of futures customer and 30.7 customer receivable balances that the FCM Division had to write-off as uncollectable during the past 12-month period, as compared to the current balance of funds held for futures customers, cleared swaps customers, and 30.7 customers (as applicable)	0.3%

Additional financial information on all FCMs is also available on the Commission's website at: https://www.cftc.gov/MarketReports/financialfcmdata/index.htm.

Customers should be aware that the National Futures Association (NFA) publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (http://www.nfa.futures.org/basicnet/) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

XI. Summary of the StoneX Financial Inc. - FCM Division's Risk Management Procedures

The FCM Division was required to adopt CFTC Regulation 1.11 "Risk Management Program for futures commission merchants" on July 11, 2014. This Risk Management Program must be approved by StoneX Financial Inc.'s Board of Directors. Amongst other requirements, the FCM Division is required to maintain a Risk Management Program that defines certain specific risks including: capital, segregation, credit, market, operational, settlement, foreign currency, legal, technological, liquidity and other risks as defined by the CFTC as well as internally defined by the FCM Division based on a variety of factors including its business model, customer base, etc. The FCM Division is required to monitor for compliance with these risks and any potential breaches, breaches must be reported up to its Risk Management Committee and presented to its Board of Directors on a quarterly basis. The Firm is required to document how breaches are mitigated as well as document any changes to the Risk Management Program. The FCM Division is also required to review its Risk Management Program annually and have it tested by an independent, qualified third party. The FCM Division has a robust risk management program, which has been an enhanced focus of the company over the past 10 years with significant investments in the program and a knowledgeable, experienced team of employees.

The FCM Division's risk management policies and procedures address the methods, limits and controls the FCM Division uses to manage its counterparty risks and market exposures. These procedures describe the standard methods and processes by which the FCM Division assesses credit risks and assigns trading limits, with the objective of minimizing risk exposures and potential credit losses.

The FCM Division has established specific credit and financials requirements for all customer accounts. It has developed a standard set of criteria for assessing each customer's qualifications and creditworthiness and establishing limits and controls which correspond to that assessment. Customer accounts are reviewed on a regular basis to determine their financial strength, credit standing, and potential risks, for the purposes of establishing, monitoring and adjusting trading limits, and managing actual and potential risk exposures.

The Risk Group at the FCM Division is composed of four core functional areas overseen by the Chief Risk Officer ("CRO"):

1. *Market and Credit Risk* is responsible for assessing customer credit risks and setting appropriate risk limits, daily monitoring of all positions based on stress level of products traded, open interest, tenor of positions as well as other factors, and managing margin requirements for each customer to ensure sufficient equity in account for market movements;
2. *Liquidity Risk* is responsible for monitoring our firm's cash flow, regulatory capital and liquidity risk for each of our entities and then also wholistically as well.
3. *Risk Systems and Valuation* is responsible for monitoring and managing the risk systems used by the Risk Management team to capture, value and monitor all customer activity. Included but not limited to mark-to-market methodology, stress testing, margin exposures, liquidity testing and generating risk management reports; and
4. *Operational Risk* is responsible for the management of the Operational Risk Program to support the effectiveness of all operational controls and identify and correct any deficiencies.

The Risk Group's primary missions are to:

1. Assess potential and existing customers to determine if they present acceptable counterparty risk to the Firm;
2. Establish risk limits for each customer and exercise appropriate controls to manage the customer's account within these limits; and
3. Monitor the Firm's current and potential risk exposures to identify and mitigate those situations and risks which are deemed to be excessive, significant or otherwise unacceptable.

The Risk Group as well as the Compliance, Operations, Legal, IT and Accounting Departments has developed policies and procedures designed to help achieve its mission goals:

New Account Review and Approval: Credit establishes the financial and credit standard to open new accounts at the Firm. Compliance sets the standard for required documentation that all account holders must provide in order to open and hold an account open at the Firm.

Credit Risk: Credit performs a Credit review on any account that is required to provide financial information in order to open an account. Credit reviews of accounts are performed annually and more frequently if needed. All Introducing Brokers and depositories of segregated funds will also go through an annual financial review.

Market Risk: Market Exposure is measured daily for the Firm and monitored by the Firm's Risk Desk. For all of the Firm's Hedge and Speculative customers limits are set on the front-end/platform systems they use to access the market. This is a real-time monitoring mechanism for ensuring compliance to limits. Our Risk System is used to monitor on a near real-time basis the value and stress levels for each of these accounts. Stress levels on both price and volatility are set consistently across the firm at an extreme but plausible level. This information is monitored on a 24-hour basis – 5 days per week by the Firm's Risk Desk. Daily management reports are produced for management review to ensure customer positions are within risk tolerance levels set by the Credit Department, Market Risk Department or the Risk Management Committee.

Pre-Trade Risk Controls: The Firm's pre-trade risk systems automatically screen electronic orders prior to execution to help ensure the orders are in compliance with the customer's approved position limits. The screening process allows the Firm to block pending orders if those orders would breach existing set limits in the customer account when executed. All orders that are executed electronically are subject to pre-trade risk analysis.

Liquidity Risk: The Firm's daily liquidity needs are assessed and monitored on a daily basis through the margining process at the Firm which is administered by the Firm's Risk Desk. The Margining Process is put in place to ensure timely collection of margin funds and cash settlements from customer who affects daily Firm liquidity. The stress testing of liquidity needs is assessed on a weekly basis and is based on Market Data provided by the Valuation Team.

Foreign Currency: The Firm monitors its exposure to foreign currencies based on the location of customer funds and follow procedures to ensure that it is meeting its capital, margin, and segregation requirements. Foreign currency risk is monitored in the same fashion as other Market Risk held by the Firm.

Operational Risk: The Firm monitors operational risk resulting from inadequate or failed internal processes, people and systems, external events or from a business environment change.

Segregation Risk: The Firm performs an evaluation of depositories of segregated funds, including, at a minimum, documented criteria that any depository that will hold segregated funds, including an entity affiliated with the Firm, must meet, including criteria addressing the depository's capitalization, creditworthiness, operational reliability, and access to liquidity.

Capital Risk: The Risk Management Program includes written policies and procedures reasonably designed to ensure that the Firm has sufficient capital to be in compliance with the Act and the regulations and sufficient capital and liquidity to meet the reasonably foreseeable needs of the Firm.

Legal Risk: The Risk Management Program incorporates procedures to address any potential legal or regulatory sanctions, financial loss or damage to reputation/franchise value arising from the failure to comply with laws, regulations or standards of conduct.

Settlement Risk: The Risk Management Program incorporates procedures to address the potential of loss due to a difference between the books and records of the Firm versus a counterparty or the failure of the Firm or counterparty to fulfill its obligations upon settlement of a position.

Technological Risk: Cybersecurity attacks across industries, including ours, are increasing in sophistication and frequency and may range from coordinated individual attempts to measures targeted specifically at us. These attacks include but are not limited to, malicious software or viruses, attempts to gain unauthorized access to, or otherwise disrupt, our information systems, attempts to gain unauthorized access to proprietary information, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cybersecurity failures may be caused by employee error, malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, and their products. We have been subject to cybersecurity attacks in the past, including breaches of our information technology systems, and may experience them in the future, potentially with more frequency or sophistication.

In addition to the above, the Firm's Risk Group has separate management reporting independent from personnel who are compensated directly on the basis of customer activity to help ensure the Risk Group maintains their role as an objective, third-party working in the interest of the company, its customers and shareholders.