

Forecast Contracts

Key Information Document (KID)

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.

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

Product

PRIP Name	Exchange Traded Derivative – Forecast Contract
PRIP Manufacturer	ForecastEx LLC
Website	forecastex.com
Telephone	Not Available (Please email compliance@forecastex.com)
Competent Authority	Commodity Futures Trading Commission (“CFTC”)
Date of KID	09/10/2025

What is this product?

Type

An Exchange Traded Derivative (“ETD”) - Forecast Contract.

Term

A Forecast Contract does not have a recommended holding period. It does have an “Expiration Date”, which is the date on which the contract expires. After entering a Forecast Contract, you may decide to close out the contract prior to its Expiration Date, based on your own individual trading strategy and objectives. Forecast Contracts incentivize long-term investment by distributing interest in the form of “Incentive Coupons”.

Early termination may occur if ForecastEx decides or is required to discontinue the contract (e.g. if any circumstances arise which would prevent the Event Question from being answered accurately on the Expiration Date, including but not limited to the cancellation of the event that determines the Outcome of the Event Question, or technical errors or acts of God or nature affecting ForecastEx systems).

Objective

The objective of trading a Forecast Contract is to allow investors to profit from their knowledge in predicting future developments and outcomes in certain categories of markets, called “Forecast Markets”. Investors can use Forecast Contracts to hedge against uncertain event-driven risks.

Investors can enter a Forecast Contract by bidding on a “Yes” or “No” proposition, known as the “Event Question”, at prices between \$0.02 and \$0.99. Once the combined value of a “Yes” bid and a “No” bid is exactly \$1.01, ForecastEx pairs the bids. It then enters two separate Forecast Contracts, one with the “Yes” investor and one with the “No” investor. Depending on the Event Question’s outcome, the holder of either the “Yes” or “No” Contract will be entitled to receive the settlement value of \$1.00, while the opposing “Yes” or “No” Contract will expire with no value. Throughout the term of the Forecast Contract, the investor will earn income on the contract’s daily settlement value based on the Effective Federal Funds Rate published by the Federal Reserve Bank of New York. This income is paid monthly in the form of an Incentive Coupon. Your distributor may deduct a spread from the Incentive Coupon.

Intended Retail Investor

Trading in this product will not be appropriate for every investor. This product is intended for investors who have a high-risk tolerance and who understand that they may lose the premium they paid to open the position.

The following is an example of how a Forecast Contract works: In response to the Event Question: “Will US Building Permits exceed 1,530,000 in March 2025?”, Investor A bids \$0.25 for a “No” contract and Investor B bids \$0.76 for a “Yes” Contract. As the paired bids amount to \$1.01, ForecastEx enters a contract with each investor charging an aggregate fee of \$0.01. At the Expiration Date, the number of Building Permits is 1,550,000, meaning the market resolves to Yes (as 1,550,000 is greater than 1,530,000). Consequently, Investor A loses the \$0.25 they invested, and Investor B receives \$1, profiting by \$0.24 (\$1.00 - \$0.76 = \$0.24). Both investors receive monthly Incentive Coupons for as long as they hold the contract.

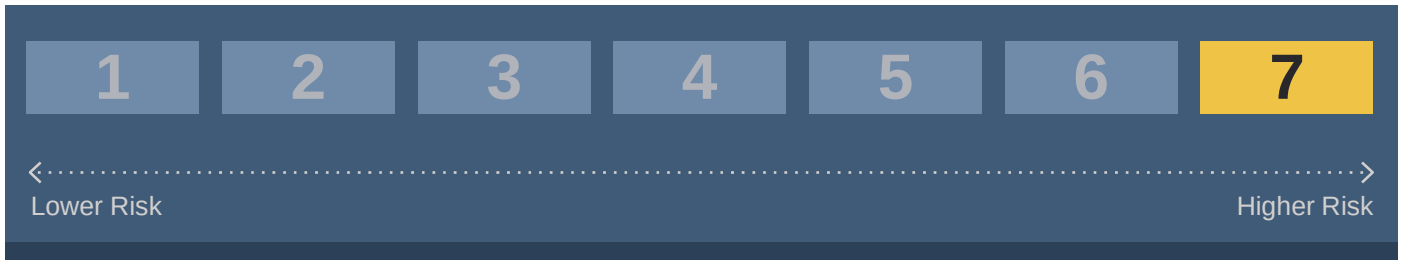
Insurance Benefits

None

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

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 market.

Risk Indicator



The risk indicator assumes you keep the product until its Expiration Date.

We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level in poor market conditions, which can result in a total loss of the capital you invested in this product. **Be aware of currency, slippage, and technical risks. All premiums, profits, losses, and charges in relation to the Forecast Contract are calculated using the currency in which the contract is denominated, exposing you to fluctuations in the value of that currency if it is not the base currency of your account.** This risk is not considered in the indicator shown above. This product does not include any protection from future market performance so you could lose some or all of your investment. There is no capital protection or guarantee.

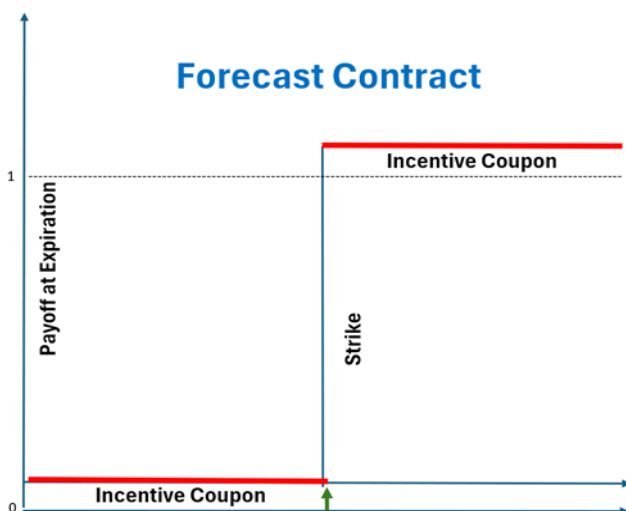
Forecast Contracts can only be exited before their Expiration Date by acquiring an offsetting position, achieved by holding both a "Yes" and a "No" Position with the same Event Question. Forecast Contracts must be purchased through a ForecastEx Member. The position will be settled the following day by ForecastEx crediting the account \$1.00 for each "Yes"/"No" pair. The price you pay for the offsetting position may significantly impact the unrealized profit/loss on your original investment.

Forecast Contracts must be fully collateralized; no leverage is used.

Performance Scenarios

The figures shown include all the costs of the product itself, (where applicable) but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect your trading profits. The tax treatment of this product depends on your individual circumstance and may change in the future. Both settlement payments at expiration and Incentive Coupon payments over the life of the contract may be taxable. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

Event Contract Payoff Graph



This graph illustrates how your investment could perform. You can compare it with the pay-off graphs of other derivatives. Either the "Yes" or the "No" Forecast Contract will receive \$1.00 United States Dollar (USD) per contract depending on the outcome, while the opposing contract expires worthless. You will receive Incentive Coupon payments linked to the value of your underlying position until the expiration of the contract. Incentive Coupon payments accrue daily and are paid monthly, based on the closing value of your positions and prevailing interest rates. While the Incentive Coupon amount fluctuates, it will never fall below zero. The maximum loss is restricted to the premium paid.

What happens if ForecastEx LLC is unable to pay out?

The PRIIP Manufacturer for a Forecast Contract is ForecastEx LLC which is both the exchange that lists the product and the clearinghouse which guarantees settlement. As Forecast Contracts must be fully collateralized in cash prior to bid entry and this collateral is held in segregated accounts, the clearinghouse should always have sufficient funds to fulfill its obligations. In the unlikely case that the clearinghouse does not have sufficient funds to affect settlement, the clearing house may use the Clearing Fund to cover any shortfall. If the available collateral and Clearing funds are not sufficient to discharge the sums due to you, you may lose the money you have invested.

What are the costs?

ForecastEx collects \$1.01 upon execution and pays out \$1.00 to the "Yes" or the "No" contract at Settlement. The additional \$0.01 is retained as ForecastEx's fee. The fee is built into the contract cost, and Forecast Ex does not charge other fees upon Settlement of the positions.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are cumulative costs of the product itself, over the recommended holding period. They include potential early exit penalties. The figures are estimates and may change in the future.

Costs Over Time

Investment: 20,000 contracts @ \$0.50 (USD 10,000 Notional)	Contract expires in 90 days
Total costs	\$ -8.25
Impact on return (RIY) per year	Specific to the contract

Composition of Costs*

The table below shows the impact of the different types of costs.

One-off costs upon entry or exit		Contract expires in 90 days
Entry costs	No fees due*	
Exit costs	Exchange fee USD 0.005 per contract due at Settlement. Exchange fees are built into the purchase price of the contract and are not charged separately.	\$ 100
Ongoing costs		
Management fees and other administrative or operating costs	ForecastEx pays interest in the form of an incentive coupon payment currently 4.33%.***	\$ -108.25
Transaction Costs	Not Applicable	
Incidental costs taken under specific conditions		
Performance fees	Not Applicable	

*Exchange fees are charged at Settlement. If the contracts are not offset but are instead held until Resolution, fees will still be charged at that time.

**Exit costs are based on the number of contracts, which will vary for the same notional depending on entry price.

***The incentive coupon is calculated daily on the notional value, which in turn will vary for a given number of contracts with fluctuations in price.

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

Recommended (required minimum) holding period: None

There is no recommended holding period or minimum holding period, however, each Forecast Contract will expire on its Expiration Date. To exit your contract before this date, you must purchase an offsetting position. In other words, if you have a No position on an Event question, you must purchase a Yes position on the same question. This may mean that you suffer an overall loss on your investments, depending on the price you pay for the opposing position. Moreover, you may not be able to exit your position at all if there is insufficient volume or bid depth in that opposing position.

How can I complain?

If you wish to make a complaint, please contact compliance@forecastex.com, or contact your broker.

Other relevant information

While this key information document is a detailed summary of this product, it does not contain all information relating to the product. For further information on Forecast Contracts, please refer to our [website](#). In the above table, the use of an example product with 90 days to expiration is used solely for illustration purposes and is not meant to suggest a recommended holding period.