Spread Betting Product Guide

June 9, 2010

Applicable for accounts held with FXCM

Notice:

This product summary should be read in conjunction with our Terms of Business. Whilst every effort has been made to ensure the accuracy of the guide, this information is subject to change, often without notice and therefore is for guidance only. If you ever have any questions please contact FXCM directly.

Risk Warning:

Leveraged Spread Betting ("SPREAD BETTING") and Foreign Exchange ("Forex") trading carry a high degree of risk, and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to spread bet and/or trade foreign exchange, you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with SPREAD BETTING and Forex trading, and seek advice from an independent financial advisor if you have any doubts.

FXCM spread betting products are not offered in any way in connection with, or with the endorsement of the relevant underlying exchange. The use of the word futures contract and relevant exchange by FXCM is simply in order to indicate the characteristics of the product on offer and the characteristics of the service.

1. INDICES

Instrument Name	Min Trade Size	Margin Requirement Per Min Trade Size (GBP)	Target FXCM Spread	Minimum Stop Distance (Points)	Trading Hours*	Break Time
US 30	1	60	4 (6)	6	Sun 22.00 - Fri 20.00	(daily from 20.15 until 20.30)
SPX500	1	75	0.5	20	Sun 22.00 - Fri 20.00	(daily from 20.15 until 20.30)
NAS 100	1	15	2	4	Sun 22.00 - Fri 20.00	(daily from 20.15 until 20.30)
UK 100	1	60	2 (3)	4	Daily 07.00 - 20.00	None
GER 30	1	60	2 (3)	5	Daily 06.00 - 20.00	None
ITA 40	1	160	15	20	Daily 07.00 - 15.40	None
ESP 35	1	125	8	12	Daily 07.00 - 15.30	None
FRA 40	1	40	2 (3)	5	Daily 06.00 - 20.00	None
HKG 33	10	450	15	25	Daily 01.45 - 08.15	daily 04.15 - 06.30 (market closes at 08.15)
JPN 225	100	90	15	25	Daily 00.00 - 11:00	02.00 - 03.30; 06.10 - 07.30 (closes at 11.00)
SWE 30	1	60	1.0	2.0	Daily 07.00 - 15.20	None
SUI 20	1	60	4	8	Daily 05.50 - 15.25	None
AUS 200	1	40	2 (4)	7	Daily 22.50 - 21.00	05.30 to 06.10 (market closes at 21.00)

All hours are stipulated in GMT

1.1 Trading Hours

FXCM index trading hours are based on when their underlying reference markets are open. FXCM indices will not be open for trading during holidays in which the reference markets are closed. You may also note that some indices have an intraday break in addition to a daily closing. During these times you will still be able to place stop and limit orders. You will not be able to close existing positions or open new ones. All trading functionalities will cease upon the end of week closing.

1.2 Contract/Trade Size

FXCM utilises a lot based trading system, therefore you are only able to trade in the 'Minimum Trade Size' or multiples thereof. Whenever a trade is opened a tick or pip value is associated with each lot to provide precise profit and loss calculations in real time. The pip cost associated with each instrument automatically converts your profit and loss into the currency of the account, therefore, negating any currency fluctuation risk.

1.3 Pip Cost

As profit and loss is converted into the account currency, a Pip cost is associated with each product. For spread betting accounts, all accounts will be opened as a GBP trading account. Therefore all profit/losses from trades will be automatically converted into GBP at the prevailing spot rate. The pip cost details the conversion rate for non sterling denominated instruments. For example if you decide to trade the US30 (which is quoted in USD) any profit and loss will be converted into GBP at the prevailing spot rate.

1.4 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the Trade Station II and detail the client's capital obligation to buy or sell the minimum contract of an index. FXCM has standardised minimum trade size for each instrument. To calculate the default[1] margin required to place the minimum trade size.

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1 You can adjust your margin rate percentage by visiting www.myfxcm.com.

1.5 Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

1.6 Overnight Credits/Debits

Financing costs (Cost of carry) and dividends make up the overnight credits/debits.

1.6.1 Finance Charges

Interest rates are a factor in any market. FXCM's daily interest debit or credit amounts (hereafter, "rollover") are based on the total face value the position. Our rollover rates are calculated by referencing the relevant LIBOR for all index products. Each day, the rollover amounts per lot are shown transparently in the simple dealing rates window.

If you hold a short position with FXCM overnight, FXCM may credit interest or charge financing on the total face value of the position. Likewise, if you are long overnight then you will be charged financing on the full face value of the position.

For example, if 3 month USD LIBOR is 4.50% and FXCM charges a haircut of +3/-3% a long spread bet position would pay 7.50%/ 360 per day, whereas a holder of a short spread bet position would receive 1.50%/360 per day.

It is worth noting that FXCM references the relevant underlying 3 months LIBOR rate for the native currency which an instrument is quoted. For Example GER 30 is quoted in Euro, therefore FXCM will reference 3 Month Euro LIBOR. Similarly for clients who have open UK100 positions, the reference interest rate would be 3 Month GBP LIBOR and so forth.

Financing Calculation

f = Overnight finance charge

s = Trade size (1) [2]

p = Closing price as determined by FXCM

r = Relevant LIBOR rate, add 300 basis points for long positions, or deduct 300 basis points for short positions
6.00% - 3.00%) = 3%

d = Number of days, i.e. 365 for GBP products and 360 for all others

And is calculated as follows: **f** = (**s** x **p** x **r**) / **d**

1.6.2 Dividends

Applicable to most indices, dividend payments will be applied as debit/credit along with the cost of carry to your open positions. Adjustments will apply on the eve of the ex-dividend date of the constituent members of the relevant Index. The adjustment will appear as part of the roll over debit/credit on your statement.

When an equity goes ex-dividend, the price of that equity theoretically decreases by the dividend amount. In practice, this does not always happen as there are many market forces affecting an equity price. The amount of points an index drops by is dependent on the weighting of the equity within the index. If more than one constituent equity of an index goes ex-dividend on the same day the amount of points each equity will theoretically cause the sector or index to drop by is added together to calculate the total amount of dividend points or 'drop points'. FXCM will either collect or pay dividends on the hedge positions that we have entered into against client issued spread bet.

Where an index is a Total Return Index, dividend payments will be not be credited/debited. An example of a total return index is the GER 30 where the cash disbursements are reinvested back into the index.

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2 The trade size will always be "1" since the finance charge displayed in the dealing rates view is per contract.

1.6.3 Final Thoughts on Credits and Debits

Please note that the Roll S & Roll B displayed in the dealing rates are the costs per contract.

Example:

- Client is long 1 UK 100
- Current Roll(B) is -0.82 (as displayed in the dealing rates window).
- Assuming the client is a holder of this position through 17:00 (NY Time), then the client will incur a charge of 0.82 to roll the position to the next trading day.

1.7 Contract Expiration

All index positions will remain open until they are closed by the client or the position is liquidated due to insufficient margin to support the open position.

2. OIL TRADING

Instrument Name	Min Trade Size	Margin Requirement Per Min Trade Size	Target FXCM Spread	Minimum Stop Distance (Points)	Trading Hours*	Break Time
US Oil	1	125	5	10	Sun 22.00 - Fri 20.00	(daily from 21.15 until 22.00)
UK Oil	1	125	5	10	Sun 22.00 - Fri 20.00	(daily from 22.00 until 00.00)

* All hours are stipulated in GMT

2.1 Trading Hours

FXCM Oil trading hours are based on when the underlying futures contract trades. Oil will not be open for trading during holidays in which the reference future is closed. Similar to many indices, Oil has a daily break addition to a daily closing; during this time you will still be able to place/amend stops and limits. You will not be able to close existing positions or open new ones. All trading functionalities will cease upon the week end closing.

2.2 Oil Pricing

FXCM receives its Oil prices from various liquidity providers. The only variation in the FXCM price from its reference market will be a small mark up on the bid and offer.

2.3 Contract Size/Trade Size

FXCM utilises a 'lot-based' trading system this simply means that all FXCM products are aggregated into standardised trade sizes. These sizes generally replicate the underlying reference instrument (the futures or cash instrument) or are a fraction of that figure. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise

calculations, and profits and losses on a position are automatically converted into GBP. For example, all spread betting accounts will experience real-time profit or loss in GBP when trading any instrument, whether it is UK 100 or US Oil.

2.4 Pip Cost

Pip cost is determined in the same manner as it is done for the various indices offered. Please refer to page 4 for the detailed explanation.

2.5 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the Trade Station II and detail the client's capital obligation to buy or sell 1 contract of a single index. FXCM has standardised minimum/incremental trade sizes for each instrument. To calculate the margin required to place the minimum trade size, simply multiply the minimum trade size by the margin required (per contract) which is displayed in the dealing rate.

- US Oil Minimum trade size is 1 contracts
- MMR is GBP 125 per contract
- 1 contract x GBP 125 = GBP 125

2.6 Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

2.7 Overnight Credits/Debits

Since the US Oil product FXCM offers is in fact a forward product, no overnight credits/debits or dividends are applicable.

2.8 Expiration

US Oil and UK OIL have monthly expirations (please see the tables below for US OIL and UK OIL Expirations). Clients that hold an open position on the 'FXCM Expiration' will be closed at our bid/offer the day prior to the official expiration date.

The only consequence of this is the client will realise any floating P/L at the time the position is closed and all stops/ limits associated with the expiring contract will be cancelled.

Example:

- Client is long 5 US Oil @ 72.00
- 1 days prior to expiration the expiring month is trading at 73.00
- The customer position is closed at 73.00 and the profit is credited to the clients trading account
- All pending Stop and Limit orders that are associated with the expiring contract will be cancelled

USOIL

Contract Month	Reference Expiration	FXCM Expiration
January	18-Dec	17-Dec
February	19-Jan	18-Jan
March	19-Feb	18-Feb
April	19-Mar	18-Mar
May	19-Apr	16-Apr
June	19-May	18-May
July	21-Jun	18-Jun
August	19-Jul	16-Jul
September	19-Aug	18-Aug
October	20-Sep	17-Sep
November	19-Oct	18-Oct
December	18-Nov	17-Nov

UKOIL

Contract Month	Reference Expiration	FXCM Expiration
January	15-Dec	14-Dec
February	15-Jan	14-Jan
March	15-Feb	12-Feb
April	16-Mar	15-Mar
May	15-Apr	14-Apr
June	14-May	13-May
July	15-Jun	14-Jun
August	15-Jul	14-Jul
September	16-Aug	13-Aug
October	15-Sep	14-Sep
November	14-Oct	13-Oct
December	15-Nov	12-Nov

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3. FOREIGN EXCHANGE

Instrument Name	Trade Size	Margin Per 10,000 Unit Trade Size (GBP)	Trading Hours*	Break Time
AUD/CAD	10,000	40	Sun 21.15 - Fri 20.00	None
AUD/CHF	10,000	40	Sun 21.15 - Fri 20.00	None
AUD/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
AUD/NZD	10,000	40	Sun 21.15 - Fri 20.00	None
AUD/USD	10,000	40	Sun 21.15 - Fri 20.00	None
CAD/CHF	10,000	40	Sun 21.15 - Fri 20.00	None
CAD/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
CHF/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
CHF/NOK	10,000	40	Sun 21.15 - Fri 20.00	None
CHF/SEK	10,000	40	Sun 21.15 - Fri 20.00	None
EUR/AUD	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/CAD	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/CHF	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/CZK	10,000	250	Sun 21.15 - Fri 20.00	None
EUR/DKK	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/GBP	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/HUF	10,000	250	Sun 21.15 - Fri 20.00	None
EUR/JPY	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/NOK	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/NZD	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/SEK	10,000	50	Sun 21.15 - Fri 20.00	None
EUR/TRY	10,000	250	Sun 21.15 - Fri 20.00	None
EUR/USD	10,000	50	Sun 21.15 - Fri 20.00	None
GBP/AUD	10,000	50	Sun 21.15 - Fri 20.00	None
GBP/CAD	10,000	50	Sun 21.15 - Fri 20.00	None

GBP/CHF	10,000	50	Sun 21.15 - Fri 20.00	None
GBP/JPY	10,000	50	Sun 21.15 - Fri 20.00	None
GBP/NZD	10,000	50	Sun 21.15 - Fri 20.00	None
GBP/SEK	10,000	50	Sun 21.15 - Fri 20.00	None
GBP/USD	10,000	50	Sun 21.15 - Fri 20.00	None
HKD/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
NOK/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
NZD/CAD	10,000	40	Sun 21.15 - Fri 20.00	None
NZD/CHF	10,000	40	Sun 21.15 - Fri 20.00	None
NZD/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
NZD/USD	10,000	40	Sun 21.15 - Fri 20.00	None
SEK/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
SGD/JPY	10,000	150	Sun 21.15 - Fri 20.00	None
TRY/JPY	10,000	150	Sun 21.15 - Fri 20.00	None
USD/CAD	10,000	40	Sun 21.15 - Fri 20.00	None
USD/CHF	10,000	40	Sun 21.15 - Fri 20.00	None
USD/CZK	10,000	150	Sun 21.15 - Fri 20.00	None
USD/DKK	10,000	40	Sun 21.15 - Fri 20.00	None
USD/HKD	10,000	150	Sun 21.15 - Fri 20.00	None
USD/HUF	10,000	150	Sun 21.15 - Fri 20.00	None
USD/JPY	10,000	40	Sun 21.15 - Fri 20.00	None
USD/MXN	10,000	150	Sun 21.15 - Fri 20.00	None
USD/NOK	10,000	40	Sun 21.15 - Fri 20.00	None
USD/RUB	10,000	150	Sun 21.15 - Fri 20.00	None
USD/SEK	10,000	40	Sun 21.15 - Fri 20.00	None
USD/SGD	10,000	150	Sun 21.15 - Fri 20.00	None
USD/TRY	10,000	150	Sun 21.15 - Fri 20.00	None
USD/ZAR	10,000	150	Sun 21.15 - Fri 20.00	None
ZAR/JPY	10,000	40	Sun 21.15 - Fri 20.00	None

All hours are stipulated in GMT

3.1 Trading Hours

The foreign exchange market at FXCM is open from Sunday 21:15 through Friday 20:00. The open or close times may be altered by the Trading Desk because it relies on prices being offered by banks and financial institutions that provide liquidity for FXCM. When the market is closed you will not be able to place any trades or stops or limits.

3.2 Foreign Exchange Pricing

Fractional pip pricing should reduce bid/ask spreads for each of the more popular currency pairs.

Our aim is to provide you with very competitive transaction costs—tight bid/ask spreads on every currency pair.

To give you access to better spreads, we introduced No Dealing Desk execution. As one of the largest Forex Dealer Members with strong liquidity relationships with the world's leading banks, we constantly press them to supply the most favorable prices to us.

As a result, the banks have now begun to provide streaming six-digit prices to FXCM; and consequently we are delighted to provide more accurate, tighter prices to you. As competition intensifies, fractional pip pricing should reduce bid/ask spreads for each of the more popular currency pairs even further—welcome news indeed in view of the market volatility we have recently experienced. Before this change, the buy price was rounded up to the nearest pip, and the sell price was rounded down. Now, with the additional decimal place, you will see a more accurate—and usually tighter—spread. For instance, you might see a buy price of 1.34557 instead of 1.3456 and a sell price of 1.34532 instead of 1.3453. In this case, you would have a spread of 2.5 pips instead of 3.

3.3 Contract Size/Trade Size

FXCM utilises a 'lot-based' trading system this simply means that all FXCM products are aggregated into standardised trade sizes. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise calculations, and profits and losses on a position are automatically converted into GBP. For example, for spread betting accounts profit/loss will experience real-time profit or loss in GBP when trading any instrument, whether it is GBP/USD or GBP/EUR.

3.4 Pip Cost

Pip cost is determined in the same manner as it is done for the various indices offered. Please refer to page 4 for the detailed explanation.

3.5 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the Trade Station and detail the client's capital obligation to buy or sell 1 contract of a single index. FXCM has standardised minimum/incremental trade sizes for each instrument. To calculate the margin required to place the minimum trade size, simply multiply the minimum trade size by the margin required (per contract) which is displayed in the dealing rate.

- Minimum trade size is 10,000 base currency units. E.g. 10,000 EUR/USD, 10,000 GBP/USD
- MMR is detailed in the table per 10,000 units

3.6 Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

3.7 Overnight Rollover

All open foreign exchange positions are rolled to the next trading day. Depending on the currency pair that is open and the direction of the open position, you will either be debited or credited rollover interest. Rollover interest is calculated by referencing the interested rate differentiation between the currency pair you are trading. Details of FXCM's rollover rates (rolls) are detailed on the trade station in a transparent manner. Please note that at all open positions at the close of business on Wednesday at 21.00 GMT incur a 3 day rollover debit/credit, and bank holidays will affect the number of days that a position is rolled forward.

3.8 Expiration

All foreign exchange trades will remain open until such time the client closes the position or there is insufficient margin to support the open position. In this instance the open position will be triggered to close by FXCM.

4. METALS

Instrument Name	Min Trade Size	Margin Requirement Per Min Trade Size (GBP)	Target FXCM Spread	Minimum Stop Distance (Points)	Trading Hours*	Break Time
XAU/USD	1	3	0.5	0.1	Sun 22.00 - Fri 20.00	(daily from 21.00 until 22.00)
XAG/USD	50	5	0.05	0.01	Sun 22.00 - Fri 20.00	(daily from 21.00 until 22.00)

All hours are stipulated in GMT

4.1 Trading Hours

Metal trading is available to trade 23 hours per day. The metal market at FXCM is open from 22.00 on Sunday to 20.00 on Friday night. Please note that the opening times are GMT. During these hours you are able to open and close trades and place limit and stop orders. When the market is closed you will not be able to place any trades or stops or limits.

4.2 Metal Pricing

Our aim is to provide you with very competitive transaction costs—tight bid/ask spreads on every metal product.

4.3 Contract Size/Trade Size

FXCM utilises a 'lot-based' trading system this simply means that all FXCM products are aggregated into standardised trade sizes. This simplifies trading by allowing clients to trade in lot increments, and also provides a price for each lot size rather than averaging open and close prices when multiple positions are taken in the same instrument. A tick or pip value is associated with each lot for precise calculations, and profits and losses on a position are automatically converted into GBP for spread betting accounts.

4.4 Pip Cost

Pip cost is determined in the same manner as it is done for the various indices offered. Please refer to page 4 for the detailed explanation.

4.5 Minimum Margin Requirements (MMR)

FXCM Margin Rates are displayed in the dealing rates window on the Trade Station and detail the client's capital obligation to buy or sell 1 contract of a single index, FXCM has standardised minimum/incremental trade sizes for each instrument. To calculate the margin required to place the minimum trade size, simply multiply the minimum trade size by the margin required (per contract) which is displayed in the dealing rate.

4.6 Minimum Spread

This is the tightest (smallest difference between our sell and buy price) FXCM will display in their pricing.

4.7 Overnight Rollover

All open metal positions are rolled to the next trading day. Depending on whether you are long (Buy) or Short (Sell) you will either be debited or credited rollover interest on a daily basis. Details of FXCM's rollover rates (rolls) are detailed on the trade station in a transparent manner. Please note that at all open positions at the close of business on Wednesday at 21.00 GMT incur a 3 day rollover debit/credit, and bank holidays will affect the number of days that a position is rolled forward.

4.8 Expiration

All metal trades will remain open until such time the client closes the position or there is insufficient margin to support the open position. In this instance the open position will be closed by FXCM.