Before You Start (Tropical Storms)   CX TRADEWX

What are Storm Contracts?	Tropical Storm Contracts are a unique way to receive a payment anytime an Atlantic named tropical storm or hurricane makes landfall on the U.S. coastline.
Who should buy Storm Contracts?	You should consider buying a Tropical Storm Contract if you have an opinion on where an Atlantic storm will impact the coastline or if you have financial risks within 75 miles of that area.
Are contracts insurance?	No. Insurance requires proving damage to insured property, but Tropical Storm Contracts payout automatically whenever a storm lands within 75 miles of your selected location.
Are contracts regulated?	Yes. Purchasing Storm Contracts at TradeWx.com results in trade positions at CX Futures Exchange, L.P., a Designated Contract Market regulated by the U.S. Commodity Futures Trading Commission ("CFTC"). And your funds are always protected on deposit at CX Clearinghouse, L.P., a US Derivatives Clearing Organization also regulated by the CFTC.
What exactly is a "contract"?	Each Storm Contract represents a group of landfall points that entitles you to a share of the total Risk Pool. If the storm you've chosen makes landfall on one of your points, then you will receive one whole "share" in the pool, otherwise you'll receive 1/100th of a share in the pool.
Why does the contract refer to ZIP codes?	As a convenient land-based reference point, CX assigns the nearest ZIP code to the point you select when using the map tool. The landfall group that determines your payout will be identified by that ZIP code. Alternatively, if you want to purchase a specific ZIP code, you may enter that ZIP code directly using the map's search icon to see that ZIP's group of landfall points.
What do the contract cost?	Contracts may be bought at all locations for $1.00 each before a storm is officially named. Prices will go up to $1.25 per contract once a storm gets named, and rise to between $1.50 and $2.50 as a storm is forecast to make landfall near the coast. Contracts cannot be purchased for any location that is within the 24-hour forecast impact zone.
What is the Risk Pool size?	The Risk Pool size equals all the premiums paid by contract buyers and is fully distributed back to the contract holders. CX Futures Exchange does not take any fees from the pool.
How are the Risk Pool and payout determined?	All contracts receive a payout from the Risk Pool. Contracts within 75 miles of the landfall location receive one whole share of the total pool whereas contracts outside the 75-mile area receive 1/100th of a share. Payout amount equals the Risk Pool divided by total shares.
How is the landfall location determined?	CX uses landfall locations determined by the National Hurricane Center ("NHC"), which is part of the U.S. government's National Weather Service and NOAA. CX may use other data sources to verify or supplement information provided by the NHC when necessary.
What if the named storm doesn't make landfall?	If the storm does not make landfall, all positions will be rolled into the same locations for the next yet-to-be-named storm. You can also adjust the location of your position at any time.
Can you sell your contracts?	No. Once purchased, contracts will settle after each storm dissipates and either a payout is made or the purchased contract rolls to the next yet-to-be-named storm.
Can you change the selected location?	Yes. If you think your location will be more than 75 miles from the landfall location, you may switch to another location. However, this may involve a higher purchase price and there are some restrictions on switches. Please contact us for more information.
What else do I need to know?	CX has provided a "Quick Start Guide" for Tropcial Storms, which you can find along with more information and additional resources at **cxmarkets.com/resources**. Also, you may contact the exchange at any time for assistance.

CX Trading and Participant Support	TradeWx Website Assistance
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