UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended December 31, 2023
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From ______ to ______
Commission File Number 000-23554

StoneX Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	**59-2921318**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

230 Park Ave, 10th Floor
New York, NY 10169
(Address of principal executive offices) (Zip Code)

(212) 485-3500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value	SNEX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer, " "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 5, 2024, there were 31,550,004 shares of the registrant's common stock outstanding.

StoneX Group Inc.

Quarterly Report on Form 10-Q for the Quarterly Period Ended December 31, 2023

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

StoneX Group Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except par value and share amounts)	December 31, 2023	September 30, 2023
ASSETS		
Cash and cash equivalents	$ 1,157.6	$ 1,108.3
Cash, securities and other assets segregated under federal and other regulations (including $3.5 million and $5.8 million at fair value at December 31, 2023 and September 30, 2023, respectively)	2,774.6	2,426.3
Collateralized transactions:		
Securities purchased under agreements to resell	3,799.8	2,979.5
Securities borrowed	994.5	1,129.1
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net (including $3,769.3 million and $4,248.3 million at fair value at December 31, 2023 and September 30, 2023, respectively)	7,474.1	7,443.8
Receivable from clients, net (including $1.1 million and $(7.9) million at fair value at December 31, 2023 and September 30, 2023, respectively)	825.6	683.1
Notes receivable, net	5.3	5.2
Income taxes receivable	20.8	25.1
Financial instruments owned, at fair value (includes securities pledged as collateral that can be sold or repledged of $1,870.2 million and $1,466.4 million at December 31, 2023 and September 30, 2023, respectively)	5,064.4	5,044.8
Physical commodities inventory, net (including $314.4 million and $386.5 million at fair value at December 31, 2023 and September 30, 2023, respectively)	518.4	537.3
Deferred tax asset	37.4	45.4
Property and equipment, net	127.0	123.5
Operating right of use assets	137.9	122.1
Goodwill and intangible assets, net	80.5	82.4
Other assets	226.9	182.8
Total assets	$ 23,244.8	$ 21,938.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Accounts payable and other accrued liabilities (including $1.6 million and $1.5 million at fair value at December 31, 2023 and September 30, 2023, respectively)	$ 446.3	$ 533.0
Operating lease liabilities	169.3	149.3
Payables to:		
Clients (including $453.0 million and $79.8 million at fair value at December 31, 2023 and September 30, 2023, respectively)	10,048.6	9,976.0
Broker-dealers, clearing organizations and counterparties (including $51.5 million and $10.2 million at fair value at December 31, 2023 and September 30, 2023, respectively)	541.5	442.4
Lenders under loans	418.5	341.0
Senior secured borrowings, net	342.9	342.1
Income taxes payable	41.2	38.2
Deferred tax liability	8.8	8.1
Collateralized transactions:		
Securities sold under agreements to repurchase	6,054.2	4,526.6
Securities loaned	942.7	1,117.3
Financial instruments sold, not yet purchased, at fair value	2,748.0	3,085.6
Total liabilities	21,762.0	20,559.6
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.01 par value. Authorized 1,000,000 shares; no shares issued or outstanding	—	—
Common stock, $0.01 par value. Authorized 200,000,000 shares; 35,405,165 issued and 31,494,180 outstanding at December 31, 2023 and 35,105,852 issued and 31,194,867 outstanding at September 30, 2023	0.4	0.4
Common stock in treasury, at cost. 3,910,985 shares at December 31, 2023 and September 30, 2023	(69.3)	(69.3)
Additional paid-in-capital	378.7	371.7
Retained earnings	1,197.2	1,128.1
Accumulated other comprehensive loss, net	(24.2)	(51.8)
Total equity	1,482.8	1,379.1
Total liabilities and stockholders' equity	$ 23,244.8	$ 21,938.7

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Income Statements
(Unaudited)

(in millions, except share and per share amounts)	**Three Months Ended December 31, 2023**	**2022**
Revenues:		
Sales of physical commodities	$ 18,820.9	$ 12,403.4
Principal gains, net	293.8	254.2
Commission and clearing fees	129.7	118.0
Consulting, management, and account fees	38.5	39.8
Interest income	290.1	196.2
Total revenues	19,573.0	13,011.6
Cost of sales of physical commodities	18,788.8	12,356.8
Operating revenues	784.2	654.8
Transaction-based clearing expenses	74.3	67.3
Introducing broker commissions	39.1	36.8
Interest expense	236.0	154.3
Interest expense on corporate funding	13.2	14.4
Net operating revenues	421.6	382.0
Compensation and other expenses:		
Compensation and benefits	218.1	199.0
Trading systems and market information	18.7	17.7
Professional fees	15.7	15.9
Non-trading technology and support	16.9	14.8
Occupancy and equipment rental	7.7	8.9
Selling and marketing	11.7	12.9
Travel and business development	7.1	5.7
Communications	2.2	2.2
Depreciation and amortization	11.2	12.7
Bad debts (recoveries), net	(0.3)	0.7
Other	16.9	19.4
Total compensation and other expenses	325.9	309.9
Gain on acquisition	—	23.5
Income before tax	95.7	95.6
Income tax expense	26.6	19.0
Net income	$ 69.1	$ 76.6
Earnings per share:		
Basic	$ 2.20	$ 2.50
Diluted	$ 2.13	$ 2.41
Weighted-average number of common shares outstanding:		
Basic	30,233,107	29,657,724
Diluted	31,274,307	30,749,778

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended December 31,	
(in millions)	**2023**	**2022**
Net income	$ 69.1	$ 76.6
Other comprehensive gain, net of tax:		
Foreign currency translation adjustment	6.9	8.2
Cash flow hedges	20.7	14.7
Total other comprehensive gain, net of tax	27.6	22.9
Comprehensive income	$ 96.7	$ 99.5

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended December 31, 2023	2022
Cash flows from operating activities:		
Net income	$ 69.1	$ 76.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11.2	12.7
Amortization of right of use assets	3.2	3.4
Bad debts (recoveries), net	(0.3)	0.7
Deferred income taxes	1.5	4.0
Amortization of debt issuance costs	1.5	1.2
Amortization of share-based compensation	7.6	5.5
Gain on acquisition	—	(23.5)
Changes in operating assets and liabilities, net:		
Securities and other assets segregated under federal and other regulations	2.3	585.4
Securities purchased under agreements to resell	(820.3)	(1,081.2)
Securities borrowed	134.6	725.6
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net	(206.8)	1,318.9
Receivables from clients, net	(142.2)	21.5
Notes receivable, net	(0.1)	—
Income taxes receivable	4.2	10.0
Financial instruments owned, at fair value	(11.1)	(221.1)
Physical commodities inventory, net	18.9	(76.7)
Other assets	(44.8)	(27.5)
Accounts payable and other accrued liabilities	(87.0)	(65.5)
Operating lease liabilities	1.0	1.2
Payables to clients	72.6	(681.3)
Payables to broker-dealers, clearing organizations, and counterparties	99.1	(325.4)
Income taxes payable	3.7	8.2
Securities sold under agreements to repurchase	1,527.6	1,724.0
Securities loaned	(174.6)	(705.6)
Financial instruments sold, not yet purchased, at fair value	(318.5)	(244.4)
Net cash provided by operating activities	152.4	1,046.7
Cash flows from investing activities:		
Acquisition of businesses and assets, net of cash received	—	(6.5)
Purchases of property and equipment	(12.7)	(11.3)
Net cash used in investing activities	(12.7)	(17.8)
Cash flows from financing activities:		
Net change in payables to lenders under loans with maturities 90 days or less	77.5	122.1
Proceeds from payables to lenders under loans with maturities greater than 90 days	—	110.0
Repayments of payables to lenders under loans with maturities greater than 90 days	—	(145.0)
Shares withheld to cover taxes on vesting of equity awards	(1.1)	—
Exercise of stock options	0.5	1.5
Net cash provided by financing activities	76.9	88.6
Effect of exchange rates on cash, segregated cash, cash equivalents, and segregated cash equivalents	6.8	8.1
Net increase in cash, segregated cash, cash equivalents, and segregated cash equivalents	223.4	1,125.6
Cash, segregated cash, cash equivalents, and segregated cash equivalents at beginning of period	6,041.7	6,285.1
Cash, segregated cash, cash equivalents, and segregated cash equivalents at end of period	$ 6,265.1	$ 7,410.7
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 281.5	$ 164.9
Income taxes paid, net of cash refunds	$ 18.4	$ (3.5)
Supplemental disclosure of non-cash investing and financing activities:		
Identified intangible assets and goodwill on acquisitions	$ —	$ 8.9
Acquisition of business:		
Assets acquired	$ —	$ 139.5
Liabilities assumed	—	82.2
Total net assets acquired	$ —	$ 57.3

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Cash Flows - Continued
(Unaudited)

The following table provides a reconciliation of cash, segregated cash, cash equivalents, and segregated cash equivalents reported within the Condensed Consolidated Balance Sheets.

	December 31,	
(in millions)	**2023**	**2022**
Cash and cash equivalents	$ 1,157.6	$ 1,252.1
Cash segregated under federal and other regulations[(1)]	2,771.1	2,298.6
Securities segregated under federal and other regulations[(1)]	—	0.1
Cash segregated and deposited with or pledged to exchange-clearing organizations and other futures commission merchants (“FCMs”)[(2)]	1,455.3	2,141.0
Securities segregated and pledged to exchange-clearing organizations[(2)]	881.1	1,718.9
Total cash, segregated cash, cash equivalents, and segregated cash equivalents shown in the condensed consolidated statements of cash flows	$ 6,265.1	$ 7,410.7

[(1)] Represents segregated client cash held at third-party banks. Excludes segregated commodity warehouse receipts, segregated U.S. Treasury obligations with original or acquired maturities of greater than 90 days, and other assets of $3.5 million and $19.9 million as of December 31, 2023 and 2022, respectively, included within *Cash, securities and other assets segregated under federal and other regulations* on the Condensed Consolidated Balance Sheets.

[(2)] Represents segregated client cash and U.S. Treasury obligations on deposit with, or pledged to, exchange clearing organizations and other FCMs. Excludes non-segregated cash, segregated U.S. Treasury obligations pledged to exchange-clearing organizations with original or acquired maturities greater than 90 days, and other assets of $5,137.7 million and $3,016.3 million as of December 31, 2023 and 2022, respectively, included within *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net* on the Condensed Consolidated Balance Sheets.

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

	Three Months Ended December 31, 2022					
(in millions)	**Common Stock**	**Treasury Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss, net**	**Total**
Balances as of September 30, 2022	$ 0.4	$ (69.3)	$ 340.0	$ 889.6	$ (90.6)	$ 1,070.1
Net income	—	—	—	76.6	—	76.6
Other comprehensive loss, net of tax	—	—	—	—	22.9	22.9
Exercise of stock options	—	—	1.5	—	—	1.5
Share-based compensation	—	—	5.5	—	—	5.5
Balances as of December 31, 2022	$ 0.4	$ (69.3)	$ 347.0	$ 966.2	$ (67.7)	$ 1,176.6

	Three Months Ended December 31, 2023					
(in millions)	**Common Stock**	**Treasury Stock**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss, net**	**Total**
Balances as of September 30, 2023	$ 0.4	$ (69.3)	$ 371.7	$ 1,128.1	$ (51.8)	$ 1,379.1
Net income	—	—	—	69.1	—	69.1
Other comprehensive gain, net of tax	—	—	—	—	27.6	27.6
Exercise of stock options	—	—	0.5	—	—	0.5
Shares withheld to cover taxes on vesting of equity awards	—	—	(1.1)	—	—	(1.1)
Share-based compensation	—	—	7.6	—	—	7.6
Balances as of December 31, 2023	$ 0.4	$ (69.3)	$ 378.7	$ 1,197.2	$ (24.2)	$ 1,482.8

See accompanying notes to the condensed consolidated financial statements.

StoneX Group Inc.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Consolidation and Accounting Standards Adopted

StoneX Group Inc., a Delaware corporation, and its consolidated subsidiaries (collectively "StoneX" or "the Company"), is a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service, and deep expertise. The Company strives to be the one trusted partner to its clients, providing its network, products and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. The Company offers a vertically integrated product suite, beginning with high-touch and electronic access to nearly all major financial markets worldwide, as well as numerous liquidity venues. The Company delivers access and services through the entire lifecycle of a trade, by delivering deep market expertise and on-the-ground intelligence, best execution, and finally post-trade clearing, custody, as well as settlement services. The Company has created revenue streams, diversified by asset class, client type and geography, that earn commissions, spreads, and principal revenue as clients execute transactions across its financial network, while monetizing non-trading client activity including interest and fee earnings on client balances as well as earning consulting fees for market intelligence and risk management services.

The Company provides its services to a diverse group of clients in more than 180 countries. These clients include more than 54,000 commercial, institutional, and payments clients and over 400,000 retail clients. The Company's clients include commercial entities, asset managers, regional, national and introducing broker-dealers, insurance companies, brokers, institutional investors and professional traders, commercial and investment banks and government and non-governmental organizations ("NGOs").

The Company's common stock trades on The NASDAQ Global Select Market under the symbol "SNEX".

Basis of Presentation and Consolidation

The accompanying unaudited Condensed Consolidated Balance Sheet as of September 30, 2023, which has been derived from the audited consolidated balance sheet of September 30, 2023, and the unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to those rules and regulations. The Company believes that the included disclosures clearly and fairly present the information within. In management's opinion, all adjustments, generally consisting of normal accruals, considered necessary to fairly present the condensed consolidated financial statements for the interim periods presented have been reflected as required by Rule 10-01 of Regulation S-X.

Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2023, as filed with the SEC on November 24, 2023.

These condensed consolidated financial statements include the accounts of StoneX Group Inc. and all entities in which the Company has a controlling financial interest. All material intercompany transactions and balances have been eliminated in consolidation.

The Company's fiscal year end is September 30, and its fiscal quarters end on December 31, March 31, June 30 and September 30. Unless otherwise stated, all dates refer to fiscal years and fiscal interim periods.

Preparing condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant of these estimates and assumptions relate to fair value measurement for financial instruments, revenue recognition, valuation of inventories, and income taxes. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. The Company reviews all significant estimates affecting the financial statements on a recurring basis and records the effect of any necessary adjustments prior to financial statement issuance. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates. Estimates and assumptions were considered and made in context with the information reasonably available to the Company as of December 31, 2023 and through the date of this Form 10-Q.

In the Condensed Consolidated Income Statements, the total revenues reported combine gross revenues for the physical commodities business and net revenues for all other businesses. The subtotal *Operating revenues* in the Condensed

Consolidated Income Statements is calculated by deducting *Cost of sales of physical commodities* from *Total revenues*. The subtotal *Net operating revenues* in the Condensed Consolidated Income Statements is calculated as *Operating revenues* less *Transaction-based clearing expenses*, *Introducing broker commissions*, *Interest expense,* and *Interest expense on corporate funding*. *Transaction-based clearing expenses* represent variable expenses paid to executing brokers, exchanges, clearing organizations and banks in relation to transactional volumes. *Introducing broker commissions* include commission paid to certain non-employee third parties that have introduced clients to the Company. *Net operating revenues* represent revenues available to pay variable compensation to risk management consultants and traders, direct non-variable expenses, as well as variable and non-variable expenses to operational and administrative employees.

Common Stock Split

On November 7, 2023, the Company's Board of Directors approved a three-for-two split of its common stock, to be effected as a stock dividend. The stock split was effective on November 24, 2023, and entitled each shareholder of record as of November 17, 2023 to receive one additional share of common stock for every two shares owned and cash in lieu of fractional shares.

The stock split increased the number of shares of common stock outstanding. All share and per share amounts contained herein have been retroactively adjusted for the stock split.

The shares of common stock retain a par value of $0.01 per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from *Additional paid-in-capital* to *Common stock.*

Gain on acquisition

Gain on acquisition represents the value that the Company acquired in excess of consideration paid for business combinations. On October 31, 2022, the Company's wholly owned subsidiary, StoneX Netherlands B.V., acquired CDI-Societe Cotonniere De Distribution S.A. The fair value of identifiable net assets acquired was approximately $66.2 million and the purchase price was approximately $42.7 million. This resulted in a gain on acquisition of $23.5 million for the three months ended December 31, 2022.

Accounting Standards

The Company did not adopt any new accounting standards during the three months ended December 31, 2023.

Note 2 – Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") using the two-class method, which requires all outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends and therefore participate in undistributed earnings with common stockholders be included in computing earnings per share. Under the two-class method, net income is reduced by the amount of dividends declared in the period for each class of common stock and participating security. The remaining undistributed earnings are then allocated to common stock and participating securities, based on their respective rights to receive dividends. Restricted stock awards granted to certain employees and directors contain non-forfeitable rights to dividends at the same rate as common stock and are considered participating securities. Basic EPS has been computed by dividing net income by the weighted-average number of common shares outstanding.

The following is a reconciliation of the numerator and denominator of the diluted earnings per share computations for the periods presented below.

	Three Months Ended December 31,	
(in millions, except share amounts)	**2023**	**2022**
Numerator:		
Net income	$ 69.1	$ 76.6
Less: Allocation to participating securities	(2.4)	(2.4)
Net income allocated to common stockholders	$ 66.7	$ 74.2
Denominator:		
Weighted average number of:		
Common shares outstanding	30,233,107	29,657,724
Dilutive potential common shares outstanding:		
Share-based awards	1,041,200	1,092,054
Diluted weighted-average common shares	31,274,307	30,749,778

The dilutive effect of share-based awards is reflected in diluted net income per share by applying the treasury stock method, which includes consideration of unamortized share-based compensation expense.

Options to purchase 272,888 and 125,352 shares of common stock for the three months ended December 31, 2023 and 2022, respectively, were excluded from the calculation of diluted earnings per share as they would have been anti-dilutive.

Note 3 – Assets and Liabilities, at Fair Value

Fair value is defined by U.S. GAAP as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants on the measurement date.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Even when market assumptions are not readily available, the Company is required to develop a set of assumptions that reflect those that market participants would use in pricing an asset or liability at the measurement date. The Company uses prices and inputs that are current as of measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Company has designed independent price verification controls to mitigate risks related to the reasonableness of such prices.

Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A market is active if there are sufficient transactions on an ongoing basis to provide current pricing information for the asset or liability, pricing information is released publicly, and price quotations do not vary substantially either over time or among market participants. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Relevant guidance requires the Company to consider counterparty credit risk of all parties to outstanding derivative instruments that would be considered by a market participant in the transfer or settlement of such contracts (exit price). The Company's exposure to credit risk on derivative financial instruments principally relates to the portfolio of Over-the-counter ("OTC") derivative contracts as all exchange-traded contracts held can be settled on an active market with a credit guarantee from the respective exchange. The Company requires each counterparty to deposit margin collateral for all OTC instruments and is also required to deposit margin collateral with counterparties. The Company has assessed the nature of these deposits and used its discretion to adjust each based on the underlying credit considerations for the counterparty and determined that the collateral deposits minimize the exposure to counterparty credit risk in the evaluation of the fair value of OTC instruments as determined by a market participant.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement,* the Company groups its assets and liabilities measured at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Valuation is based upon unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Level 1 consists of financial assets and liabilities whose fair values are estimated using quoted market prices.

Level 2 - Valuation is based upon quoted prices for identical or similar assets or liabilities in markets that are less active, that is, markets in which there are few transactions for the asset or liability that are observable for substantially the full term. Included in Level 2 are those financial assets and liabilities for which fair values are estimated using models or other valuation methodologies. These models are primarily industry-standard models that consider various observable inputs, including time value, yield curve, volatility factors, observable current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures.

Level 3 - Valuation is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Level 3 comprises financial assets and liabilities whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are not readily observable from objective sources. Level 3 includes contingent liabilities that have been valued using an income approach based upon management developed discounted cash flow projections, which are an unobservable input.

Fair value of financial and nonfinancial assets and liabilities that are carried on the Condensed Consolidated Balance Sheets at fair value on a recurring basis

Cash and cash equivalents reported at fair value on a recurring basis includes certificates of deposit and money market mutual funds, which are stated at cost plus accrued interest, which approximates fair value.

Cash, securities and other assets segregated under federal and other regulations reported at fair value on a recurring basis include the value of pledged investments, primarily U.S. Treasury obligations and commodities warehouse receipts.

Deposits with and receivables from broker-dealers, clearing organizations and counterparties and payable to clients and broker-dealers, clearing organizations and counterparties includes the fair value of pledged investments, primarily U.S. Treasury obligations and foreign government obligations. These balances also include the fair value of exchange-traded options on futures and OTC forwards, swaps and options.

Financial instruments owned and sold, not yet purchased include the fair value of equity securities, which includes common, preferred, and foreign ordinary shares, American Depository Receipts (“ADRs”), Global Depository Receipts (“GDRs”), and exchange-traded funds (“ETFs”), corporate and municipal bonds, U.S. Treasury obligations, U.S. government agency obligations, foreign government obligations, agency mortgage-backed obligations, asset-backed obligations, derivative financial instruments, commodities warehouse receipts, exchange firm common stock, and investments in managed funds. The fair value of exchange firm common stock is determined by quoted market prices.

Cash equivalents, debt and equity securities, commodities warehouse receipts, physical commodities inventory, derivative financial instruments and contingent liabilities are carried at fair value, on a recurring basis, and are classified and disclosed into three levels in the fair value hierarchy.

The following section describes the valuation methodologies used by the Company to measure classes of financial instruments at fair value and specifies the level within the fair value hierarchy where various financial instruments are classified.

The Company uses quoted prices in active markets, where available, and classifies instruments with such quotes within Level 1 of the fair value hierarchy. Examples include U.S. Treasury obligations, foreign government obligations, commodities warehouse receipts, certain equity securities traded in active markets, physical precious metals inventory held by a regulated broker-dealer subsidiary, exchange firm common stock, investments in managed funds, as well as options on futures contracts traded on national exchanges. The fair value of exchange firm common stock is determined by recent sale transactions and is included within Level 1.

When instruments are traded in secondary markets and observable prices are not available for substantially the full term, the Company generally relies on internal valuation techniques based upon observable inputs for comparable financial instruments, or prices obtained from third-party pricing services or brokers or a combination thereof, and accordingly, classified these instruments as Level 2. Examples include corporate and municipal bonds, U.S. government agency obligations, agency-mortgage backed obligations, asset-backed obligations, certain equity securities traded in less active markets, and OTC derivative contracts, which include purchase and sale commitments related to the Company’s foreign exchange, agricultural, and energy commodities.

Certain derivatives without a quoted price in an active market and derivatives executed OTC are valued using internal valuation techniques, including pricing models which utilize significant inputs observable to market participants. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. The key inputs depend upon the type of derivative and the nature of the underlying instrument and include interest yield curves, foreign exchange rates, commodity prices, volatilities and correlation. These derivative instruments are included within Level 2 of the fair value hierarchy.

Physical commodities inventory includes precious metals that are a part of the trading activities of a regulated broker-dealer subsidiary and is recorded at fair value using exchange-quoted prices. Physical commodities inventory also includes agricultural commodities that are a part of the trading activities of a non-broker dealer subsidiary and are recorded at net realizable value using exchange-quoted prices. The fair value of precious metals physical commodities inventory is based upon unadjusted exchange-quoted prices and is, therefore, classified within Level 1 of the fair value hierarchy. The fair value of agricultural physical commodities inventory and the related OTC firm sale and purchase commitments are generally based upon exchange-quoted prices, adjusted for basis or differences in local markets, broker or dealer quotations or market transactions in either listed or OTC markets. Exchange-quoted prices are adjusted for location and quality because the exchange-quoted prices for agricultural and energy related products represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis or local market adjustments are observable inputs or have an insignificant impact on the measurement of fair value and, therefore, the agricultural physical commodities inventory, as well as the related OTC forward firm sale and purchase commitments have been included within Level 2 of the fair value hierarchy.

With the exception of certain derivative instruments where the valuation approach is disclosed above, financial instruments owned and sold are primarily valued using third-party pricing sources. Third-party pricing vendors compile prices from various sources and often apply matrix pricing for similar securities when market-observable transactions for the instruments are not observable for substantially the full term. The Company reviews the pricing methodologies used by third-party pricing vendors in order to evaluate the fair value hierarchy classification of vendor-priced financial instruments and the accuracy of vendor pricing, which typically involves comparing of primary vendor prices to internal trader prices or secondary vendor prices. When evaluating the propriety of vendor-priced financial instruments using secondary prices, considerations include the range and quality of vendor prices, level of observable transactions for identical and similar instruments, and judgments based upon knowledge of a particular market and asset class. If the primary vendor price does not represent fair value, justification for using a secondary price, including source data used to make the determination, is subject to review and approval by authorized personnel prior to using a secondary price. Financial instruments owned and sold that are valued using third party pricing sources are included within either Level 1 or Level 2 of the fair value hierarchy based upon the observability of the inputs used and the level of activity in the market.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2023 and September 30, 2023. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these condensed consolidated financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

The following tables set forth the Company's financial and nonfinancial assets and liabilities accounted for at fair value, on a recurring basis, as of December 31, 2023 and September 30, 2023 by level in the fair value hierarchy. All fair value measurements were performed on a recurring basis as of December 31, 2023 and September 30, 2023.

	December 31, 2023				
(in millions)	Level 1	Level 2	Level 3	Netting (1)	Total
Assets:					
Certificates of deposit	$ 12.3	$ —	$ —	$ —	$ 12.3
Money market mutual funds	50.4	—	—	—	50.4
Cash and cash equivalents	62.7	—	—	—	62.7
Commodities warehouse receipts	3.5	—	—	—	3.5
Securities and other assets segregated under federal and other regulations	3.5	—	—	—	3.5
U.S. Treasury obligations	3,245.0	—	—	—	3,245.0
To be announced and forward settling securities	—	26.1	—	(19.5)	6.6
Foreign government obligations	19.1	—	—	—	19.1
Derivatives	4,675.3	1,159.1	—	(5,335.8)	498.6
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net	7,939.4	1,185.2	—	(5,355.3)	3,769.3
Receivables from clients, net - Derivatives	71.9	415.9	—	(486.7)	1.1
Equity securities	422.1	10.5	—	—	432.6
Corporate and municipal bonds	—	208.4	—	—	208.4
U.S. Treasury obligations	735.8	—	—	—	735.8
U.S. government agency obligations	—	132.0	—	—	132.0
Foreign government obligations	26.0	—	—	—	26.0
Agency mortgage-backed obligations	—	3,056.8	—	—	3,056.8
Asset-backed obligations	—	107.5	—	—	107.5
Derivatives	0.5	1,027.6	—	(794.9)	233.2
Commodities leases	—	16.6	—	—	16.6
Commodities warehouse receipts	66.3	—	—	—	66.3
Exchange firm common stock	12.6	—	—	—	12.6
Cash flow hedges	—	10.2	—	—	10.2
Mutual funds and other	23.6	—	2.8	—	26.4
Financial instruments owned	1,286.9	4,569.6	2.8	(794.9)	5,064.4
Physical commodities inventory	174.6	139.8	—	—	314.4
Total assets at fair value	$ 9,539.0	$ 6,310.5	$ 2.8	$ (6,636.9)	$ 9,215.4
Liabilities:					
Accounts payable and other accrued liabilities	$ —	$ —	$ 1.6	$ —	$ 1.6
Payables to clients - Derivatives	4,640.3	147.2	—	(4,334.5)	453.0
To be announced and forward settling securities	—	71.3	—	(19.5)	51.8
Derivatives	92.6	1,395.1	—	(1,488.0)	(0.3)
Payable to broker-dealers, clearing organizations and counterparties	92.6	1,466.4	—	(1,507.5)	51.5
Equity securities	318.7	5.1	—	—	323.8
Foreign government obligations	32.6	—	—	—	32.6
Corporate and municipal bonds	—	117.0	—	—	117.0
U.S. Treasury obligations	2,003.5	—	—	—	2,003.5
U.S. government agency obligations	—	23.8	—	—	23.8
Agency mortgage-backed obligations	—	0.6	—	—	0.6
Derivatives	6.5	866.7	—	(635.7)	237.5
Cash flow hedges	—	8.0	—	—	8.0
Other	—	—	1.2	—	1.2
Financial instruments sold, not yet purchased	2,361.3	1,021.2	1.2	(635.7)	2,748.0
Total liabilities at fair value	$ 7,094.2	$ 2,634.8	$ 2.8	$ (6,477.7)	$ 3,254.1

(1) Represents cash collateral and the impact of netting across at each level of the fair value hierarchy.

(in millions)	September 30, 2023 Level 1	Level 2	Level 3	Netting (1)	Total
Assets:					
Certificates of deposit	$ 8.7	$ —	$ —	$ —	$ 8.7
Money market mutual funds	57.8	—	—	—	57.8
Cash and cash equivalents	66.5	—	—	—	66.5
Commodities warehouse receipts	5.8	—	—	—	5.8
Securities and other assets segregated under federal and other regulations	5.8	—	—	—	5.8
U.S. Treasury obligations	4,023.8	—	—	—	4,023.8
To be announced and forward settling securities	—	73.5	—	(31.7)	41.8
Foreign government obligations	17.8	—	—	—	17.8
Derivatives	5,497.5	1,135.9	—	(6,468.5)	164.9
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net	9,539.1	1,209.4	—	(6,500.2)	4,248.3
Receivables from clients, net - Derivatives	61.7	561.3		(630.9)	(7.9)
Equity securities	324.0	10.3	—	—	334.3
Corporate and municipal bonds	—	284.2	—	—	284.2
U.S. Treasury obligations	531.7	—	—	—	531.7
U.S. government agency obligations	—	451.7	—	—	451.7
Foreign government obligations	43.3	—	—	—	43.3
Agency mortgage-backed obligations	—	2,865.8	—	—	2,865.8
Asset-backed obligations	—	138.8	—	—	138.8
Derivatives	0.6	868.1	—	(600.2)	268.5
Commodities leases	—	16.0	—	—	16.0
Commodities warehouse receipts	54.7	—	—	—	54.7
Exchange firm common stock	12.0	—	—	—	12.0
Cash flow hedges	—	1.7	—	—	1.7
Mutual funds and other	39.3	—	2.8	—	42.1
Financial instruments owned	1,005.6	4,636.6	2.8	(600.2)	5,044.8
Physical commodities inventory	240.3	146.2	—	—	386.5
Total assets at fair value	$ 10,919.0	$ 6,553.5	$ 2.8	$ (7,731.3)	$ 9,744.0
Liabilities:					
Accounts payable and other accrued liabilities - contingent liabilities	$ —	$ —	$ 1.5	$ —	$ 1.5
Payables to clients - Derivatives	5,430.7	226.2		(5,577.1)	79.8
To be announced and forward settling securities	—	47.5	—	(31.4)	16.1
Derivatives	112.2	1,402.0	—	(1,520.1)	(5.9)
Payable to broker-dealers, clearing organizations and counterparties	112.2	1,449.5	—	(1,551.5)	10.2
Equity securities	230.6	5.5	—	—	236.1
Foreign government obligations	21.5	—	—	—	21.5
Corporate and municipal bonds	—	81.6	—	—	81.6
U.S. Treasury obligations	2,409.3	—	—	—	2,409.3
U.S. government agency obligations	—	5.1	—	—	5.1
Agency mortgage-backed obligations	—	31.7	—	—	31.7
Derivatives	2.4	769.2	—	(510.4)	261.2
Cash flow hedges	—	27.1	—	—	27.1
Other	—	10.9	1.1	—	12.0
Financial instruments sold, not yet purchased	2,663.8	931.1	1.1	(510.4)	3,085.6
Total liabilities at fair value	$ 8,206.7	$ 2,606.8	$ 2.6	$ (7,639.0)	$ 3,177.1

(1) Represents cash collateral and the impact of netting across at each level of the fair value hierarchy.

Realized and unrealized gains and losses are included in *Principal gains, net*, *Interest income*, and *Cost of sales of physical commodities* in the Condensed Consolidated Income Statements.

Additional disclosures about the fair value of financial instruments that are not carried on the Condensed Consolidated Balance Sheets at fair value

Many, but not all, of the financial instruments that the Company holds are recorded at fair value in the Condensed Consolidated Balance Sheets. The following represents financial instruments for which the ending balance at December 31, 2023 and September 30, 2023 was not carried at fair value on the Condensed Consolidated Balance Sheets in accordance with U.S. GAAP:

Short-term financial instruments: The carrying value of short-term financial instruments, including cash and cash equivalents, cash segregated under federal and other regulations, securities purchased under agreements to resell and securities sold under agreements to repurchase, and securities borrowed and loaned are recorded at amounts that approximate the fair value of these instruments due to their short-term nature and level of collateralization. These financial instruments generally expose the Company to limited credit risk and have no stated maturities or have short-term maturities and carry interest rates that approximate market rates. Under the fair value hierarchy, cash and cash equivalents and cash segregated under federal and other regulations are classified as Level 1. Securities purchased under agreements to resell and securities sold under agreements to repurchase, and securities borrowed and loaned are classified as Level 2 under the fair value hierarchy as they are generally overnight or short-term in nature and are collateralized by equity securities, U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations.

Receivables and other assets: Receivables from broker-dealers, clearing organizations, and counterparties, receivables from clients, net, notes receivables, and certain other assets are recorded at amounts that approximate fair value due to their short-term nature and are classified as Level 2 under the fair value hierarchy.

Payables: Payables to clients and payables to broker-dealers, clearing organizations, and counterparties are recorded at amounts that approximate fair value due to their short-term nature and are classified as Level 2 under the fair value hierarchy.

Lenders under loans: Payables to lenders under loans carry variable rates of interest and thus approximate fair value and are classified as Level 2 under the fair value hierarchy.

Senior secured borrowings, net: Senior secured borrowings, net includes the Company's 8.625% Senior Secured Notes due 2025 (the “Senior Secured Notes”), as further described in Note 9, with a carrying value of $342.9 million as of December 31, 2023. The carrying value of the Senior Secured Notes represent their principal amount net of unamortized deferred financing costs and original issue discount. As of December 31, 2023, the Senior Secured Notes had a fair value of $351.9 million and are classified as Level 2 under the fair value hierarchy.

Note 4 – Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk

The Company is party to certain financial instruments with off-balance sheet risk in the normal course of its business. The Company has sold financial instruments that it does not currently own and will therefore be obliged to purchase such financial instruments at a future date to settle these transactions. The Company has recorded these obligations in the condensed consolidated financial statements as of December 31, 2023 and September 30, 2023 at the fair values of the related financial instruments. The Company will incur losses if the fair value of the underlying financial instruments increases subsequent to December 31, 2023. The total financial instruments sold, not yet purchased of $2,748.0 million and $3,085.6 million as of December 31, 2023 and September 30, 2023, respectively, includes $237.5 million and $261.2 million for derivative contracts not designated as hedges, respectively, which represented a liability to the Company based on their fair values as of December 31, 2023 and September 30, 2023.

Derivatives

The Company utilizes derivative products in its trading capacity as a dealer in order to satisfy client needs and mitigate risk. The Company manages risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with the Company’s other trading activities. The Company’s derivative positions are included in the Condensed Consolidated Balance Sheets in *Deposits with and receivables from broker-dealers, clearing organizations and counterparties*, *Receivables from clients, net*, *Financial instruments owned and sold, not yet purchased, at fair value*, *Payable to clients* and *Payables to broker-dealers, clearing organizations and counterparties*.

Listed below are the fair values of the Company's derivative assets and liabilities as of December 31, 2023 and September 30, 2023. Assets represent net unrealized gains and liabilities represent net unrealized losses.

	December 31, 2023		September 30, 2023	
(in millions)	**Assets [(1)]**	**Liabilities [(1)]**	**Assets [(1)]**	**Liabilities [(1)]**
Derivative contracts not accounted for as hedges:				
Exchange-traded commodity derivatives	$ 1,381.9	$ 1,367.1	$ 1,907.0	$ 1,890.3
OTC commodity derivatives	1,738.8	1,665.0	1,523.3	1,456.0
Exchange-traded foreign exchange derivatives	2.9	2.9	4.3	4.3
OTC foreign exchange derivatives	469.8	415.4	497.1	455.3
Exchange-traded interest rate derivatives	1,228.8	1,235.3	1,507.6	1,509.8
OTC interest rate derivatives	247.0	247.0	417.6	417.6
Exchange-traded equity index derivatives	2,134.1	2,134.1	2,140.9	2,140.9
OTC equity and indices derivatives	146.9	81.6	127.3	68.5
TBA and forward settling securities	26.2	71.3	73.5	47.5
Subtotal	7,376.4	7,219.7	8,198.6	7,990.2
Derivative contracts designated as hedging instruments:				
Interest rate contracts	—	8.0	—	24.6
Foreign currency forward contracts	10.2	—	1.7	2.5
Subtotal	10.2	8.0	1.7	27.1
Gross fair value of derivative contracts	$ 7,386.6	$ 7,227.7	$ 8,200.3	$ 8,017.3
Impact of netting and collateral	(6,636.9)	(6,477.7)	(7,731.3)	(7,639.0)
Total fair value included in *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net*	$ 505.2		$ 206.7	
Total fair value included in *Receivable from clients, net*	$ 1.1		$ (7.9)	
Total fair value included in *Financial instruments owned, at fair value*	$ 243.4		$ 270.2	
Total fair value included in *Payables to clients*		$ 453.0		$ 79.8
Total fair value included in *Payables to broker-dealers, clearing organizations and counterparties*		$ 51.5		$ 10.2
Total fair value included in *Financial instruments sold, not yet purchased, at fair value*		$ 245.5		$ 288.3

(1) As of December 31, 2023 and September 30, 2023, the Company's derivative contract volume for open positions was approximately 11.8 million and 13.4 million contracts, respectively.

The Company's derivative contracts are principally held in its Institutional, Commercial, and Retail segments. The Company provides its Institutional segment clients access to exchanges at which they can carry out their trading strategies. The Company assists its Commercial segment clients in protecting the value of their future production by entering into option or forward agreements with them on an OTC basis. The Company also provides its Commercial segment clients with exchange products, including combinations of buying and selling puts and calls. In its Retail segment, the Company provides its retail clients with access to spot foreign exchange, precious metals trading, as well as contracts for difference ("CFD") and spread bets, where permitted. The Company mitigates its risk by generally offsetting the client's transaction simultaneously with one of the Company's trading counterparties or will offset that transaction with a similar but not identical position on the exchange. The risk mitigation of these offsetting trades is not within the documented hedging designation requirements of the Derivatives and Hedging Topic of the ASC. These derivative contracts are traded along with cash transactions because of the integrated nature of the markets for these products. The Company manages the risks associated with derivatives on an aggregate basis along with the risks associated with its proprietary trading and market-making activities in cash instruments as part of its firm-wide risk management policies. In particular, the risks related to derivative positions may be partially offset by inventory, other derivatives, or cash collateral paid or received.

Hedging Activities

The Company uses interest rate derivatives, in the form of swaps, to hedge risk related to variability in overnight rates. These hedges are designated cash flow hedges, through which the Company mitigates uncertainty in its interest income by converting floating-rate interest income to fixed-rate interest income. While the swaps mitigate interest rate risk, they do introduce credit risk, which is the possibility that the Company's trading counterparty fails to meet its obligation. The Company minimizes this risk by entering into its swaps with highly-rated, multi-national institutions. In addition to credit risk, there is market risk associated with the swap positions. The Company's market risk is limited, because any amounts the Company must pay from having exchanged variable interest will be funded by the variable interest the Company receives on its deposits. As of December 31, 2023, the Company's hedges will all have matured in less than 1 year from the end of the current period.

The Company also uses foreign currency derivatives, in the form of forward contracts, to hedge risk related to the variability in exchange rates relative to certain of the Company's non-USD expenditures. These hedges are designated cash flow hedges, through which the Company mitigates variability in exchange rates by exchanging foreign currency for USD at fixed exchange rates at a pre-determined future date, or several cash flows at several pre-determined future dates. While the forward contracts mitigate exchange rate variability risk, they do introduce credit risk, which is the possibility that the Company's trading counterparty fails to meet its obligation. The Company minimizes this risk by entering into its forward contracts with highly-rated, multi-national institutions. These hedges will all mature within 2 years from the end of the current period.

The Company assesses the effectiveness of its hedges at each reporting period to identify any required reclassifications into current earnings. During the three months ended December 31, 2023 and 2022, the Company did not designate any portion of its hedges as ineffective and thus did not have any values in current earnings related to ineffective hedges. The fair values of derivative instruments designated for hedging held as of December 31, 2023 and September 30, 2023 are as follow:

		December 31, 2023	September 30, 2023
(in millions)	**Balance Sheet Location**	**Fair Value**	**Fair Value**
Asset Derivatives			
Derivatives designated as hedging instruments:			
Foreign currency forward contracts	Financial instruments owned, net	$ 10.2	$ 1.7
Total derivatives designated as hedging instruments		$ 10.2	$ 1.7
Derivative assets expected to be released from *Accumulated other comprehensive income* into current earnings:			
Foreign currency forward contracts		$ 7.5	$ 1.4
Total expected to be released from *Accumulated other comprehensive income* into earnings		$ 7.5	$ 1.4
Liability Derivatives			
Derivatives designated as hedging instruments:			
Interest rate contracts	Financial instruments sold, not yet purchased	$ 8.0	$ 24.6
Foreign currency forward contracts	Financial instruments sold, not yet purchased	—	2.5
Total derivatives designated as hedging instruments		$ 8.0	$ 27.1
Derivative liabilities expected to be released from *Accumulated other comprehensive income* into current earnings:			
Interest rate contracts		$ 8.0	$ 20.3
Foreign currency forward contracts		—	1.0
Total expected to be released from *Accumulated other comprehensive income* into earnings		$ 8.0	$ 21.3

The notional values of derivative instruments designated for hedging held as of December 31, 2023 and September 30, 2023 are as follow:

	December 31, 2023	September 30, 2023
(in millions)	**Notional Value**	**Notional Value**
Derivatives designated as hedging instruments:		
Interest rate contracts	$ 1,250.0	$ 2,000.0
Foreign currency forward contracts:		
Foreign currency forward contracts to purchase Polish Zloty:		
Local currency	zł 156.1	zł 156.1
USD	$ 34.9	$ 34.0
Foreign currency forward contracts to purchase British Pound Sterling:		
Local currency	£ 144.0	£ 168.0
USD	$ 177.3	$ 206.9

The Condensed Consolidated Income Statement effects of derivative instruments designated for hedging held for the three months ended December 31, 2023 and 2022 are as follows:

(in millions)	Income Statement Location	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
Total amounts reclassified from Accumulated Other Comprehensive Income into Income:			
Interest rate contracts	Interest income	$ (15.9)	$ (5.4)
Foreign currency forward contracts	Compensation and benefits	1.9	(0.2)
Total derivatives designated as hedging instruments		$ (14.0)	$ (5.6)
Amount of gain reclassified from accumulated other comprehensive income into income as a result of a forecasted transaction that is no longer probable of occurring		$ —	$ —

The accumulated other comprehensive income effects of derivative instruments designated for hedging held for three months ended December 31, 2023 and 2022 are as follows:

	Amount of Gain Recognized in Other Comprehensive Income on Derivatives, net of tax	
(in millions)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
Derivatives in Cash Flow Hedging Relationships:		
Interest rate contracts	$ 12.6	$ (1.4)
Foreign currency forward contracts	8.1	16.1
Total	$ 20.7	$ 14.7

The following table sets forth the Company's net gains/(losses) related to derivative financial instruments for the three months ended December 31, 2023 and 2022 in accordance with the Derivatives and Hedging Topic of the ASC. The net gains/(losses) set forth below are included in *Principal gains, net* and *Cost of sales of physical commodities* in the Condensed Consolidated Income Statements.

	Three Months Ended December 31,	
(in millions)	2023	2022
Commodities	$ 87.1	$ 54.2
Foreign exchange	25.2	48.8
Interest rate, equities, and indices	27.4	8.3
TBA and forward settling securities	(93.2)	(23.0)
Net gains from derivative contracts	$ 46.5	$ 88.3

Credit Risk

In the normal course of business, the Company purchases and sells financial instruments, commodities and foreign currencies as either a principal or agent on behalf of its clients. If either the client or counterparty fails to perform, the Company may be required to discharge the obligations of the nonperforming party. In such circumstances, the Company may sustain a loss if the fair value of the financial instrument, commodity, or foreign currency is different from the contract value of the transaction.

The majority of the Company's transactions and, consequently, the concentration of its credit exposure are with commodity exchanges, clients, broker-dealers and other financial institutions. These activities primarily involve collateralized and uncollateralized arrangements and may result in credit exposure in the event that a counterparty fails to meet its contractual obligations. The Company's exposure to credit risk can be directly impacted by volatile financial markets, which may impair counterparties' ability to satisfy contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit and/or position limits based upon a review of the counterparties' financial condition and credit ratings. The Company monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines and requests changes in collateral levels as appropriate.

The Company is a party to financial instruments in the normal course of its business through client and proprietary trading accounts in exchange-traded and OTC derivative instruments. These instruments are primarily the result of the execution of orders for commodity futures, options on futures, OTC swaps and options and spot and forward foreign currency contracts on behalf of its clients, substantially all of which are transacted on a margin basis. Such transactions may expose the Company to significant credit risk in the event that margin requirements are not sufficient to fully cover losses which clients may incur. The Company controls the risks associated with these transactions by requiring clients to maintain margin deposits in compliance with individual exchange regulations and internal guidelines. The Company monitors required margin levels daily, and therefore, may require clients to deposit additional collateral or reduce positions when necessary. The Company also establishes credit limits for clients, which are monitored daily. The Company evaluates each client's creditworthiness on a case by case basis. Clearing, financing, and settlement activities may require the Company to maintain funds with or pledge securities as collateral with other financial institutions. Generally, these exposures to both clients and exchanges are subject to master netting, or client agreements, which reduce the exposure to the Company by permitting receivables and payables with such clients to be offset in the event of a client default. Management believes that the margin deposits held as of December 31, 2023 and September 30, 2023 were adequate to minimize the risk of material loss that could be created by positions held at that time. Additionally, the Company monitors collateral fair value on a daily basis and adjusts collateral levels in the event of excess market exposure.

Derivative financial instruments involve varying degrees of off-balance sheet market risk whereby changes in the fair values of underlying financial instruments may result in changes in the fair value of the financial instruments in excess of the amounts reflected in the consolidated balance sheets. Exposure to market risk is influenced by a number of factors, including the relationships between the financial instruments and the Company's positions, as well as the volatility and liquidity in the markets in which the financial instruments are traded. The principal risk components of financial instruments include, among other things, interest rate volatility, the duration of the underlying instruments and changes in commodity pricing and foreign exchange rates. The Company attempts to manage its exposure to market risk through various techniques. Aggregate market limits have been established and market risk measures are routinely monitored against these limits.

Note 5 – Allowance for Doubtful Accounts

The allowance for doubtful accounts related to deposits with and receivables from broker-dealers, clearing organizations, and counterparties was $0.2 million as of December 31, 2023 and $0.1 million as of September 30, 2023. The allowance for doubtful accounts related to receivables from clients was $59.7 million and $59.8 million as of December 31, 2023 and September 30, 2023, respectively. The Company had no allowance for doubtful accounts related to notes receivable as of December 31, 2023 and September 30, 2023.

Activity in the allowance for doubtful accounts for the three months ended December 31, 2023 was as follows:

(in millions)	
Balance as of September 30, 2023	$ 59.9
Recovery of bad debts	(0.5)
Other	0.5
Balance as of December 31, 2023	$ 59.9

Note 6 – Physical Commodities Inventory

The Company's inventories consist of finished physical commodities as shown below.

(in millions)	December 31, 2023	September 30, 2023
Physical Ag & Energy[1]	$ 139.8	$ 146.2
Precious metals - held by broker-dealer subsidiary	174.6	240.3
Precious metals - held by non-broker-dealer subsidiaries	204.0	150.8
Physical commodities inventory, net	$ 518.4	$ 537.3

[1] Physical Ag & Energy consists of agricultural commodity inventories, including corn, soybeans, wheat, dried distillers grain, canola, sorghum, coffee, cocoa, cotton, and various energy commodity inventories. Agricultural inventories have reliable, readily determinable and realizable market prices, have relatively insignificant costs of disposal and are available for immediate delivery. The Company records changes to these values in *Cost of sales of physical commodities* on the Condensed Consolidated Income Statements.

Note 7 – Goodwill

Goodwill allocated to the Company's operating segments is as follows:

(in millions)	December 31, 2023	September 30, 2023
Commercial	$ 33.7	$ 33.7
Institutional	9.8	9.8
Retail	5.8	5.8
Payments	10.0	10.0
Total Goodwill	$ 59.3	$ 59.3

Note 8 – Intangible Assets

The gross and net carrying values of intangible assets as of the balance sheet dates, by major intangible asset class are as follows (in millions):

	December 31, 2023			September 30, 2023		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Intangible assets subject to amortization						
Trade/domain names	$ 4.1	$ (2.6)	$ 1.5	$ 4.1	$ (2.4)	$ 1.7
Software programs/platforms	4.9	(3.5)	1.4	28.5	(26.9)	1.6
Client and supplier base	34.1	(21.5)	12.6	38.3	(24.1)	14.2
Total intangible assets subject to amortization	43.1	(27.6)	15.5	70.9	(53.4)	17.5
Intangible assets not subject to amortization						
Website domains	2.0	—	2.0	1.9	—	1.9
Business licenses	3.7	—	3.7	3.7	—	3.7
Total intangible assets not subject to amortization	5.7	—	5.7	5.6	—	5.6
Total intangible assets	$ 48.8	$ (27.6)	$ 21.2	$ 76.5	$ (53.4)	$ 23.1

Amortization expense related to intangible assets was $2.0 million and $3.9 million for the three months ended December 31, 2023 and 2022, respectively.

The Company wrote off $27.8 million of fully amortized intangible assets during the three months ended December 31, 2023.

As of December 31, 2023, the estimated future amortization expense was as follows:

(in millions)	
Fiscal 2024 (remaining nine months)	$ 4.7
Fiscal 2025	3.6
Fiscal 2026	2.8
Fiscal 2027	2.2
Fiscal 2028 and thereafter	2.2
Total intangible assets subject to amortization	$ 15.5

Note 9 – Credit Facilities

Committed Credit Facilities

The Company and its subsidiaries have committed credit facilities under which they may borrow up to $1,200.0 million, subject to the terms and conditions of these facilities. The amounts outstanding under these credit facilities carry variable rates of interest, thus approximating fair value. The committed credit facilities generally have covenant requirements that relate to various leverage, debt to net worth, fixed charge, tangible net worth, excess net capital, or profitability measures. The Company and its subsidiaries were in compliance with all relevant covenants as of December 31, 2023.

Uncommitted Credit Facilities

The Company has access to certain uncommitted financing agreements that support its ordinary course securities and commodities inventories. The agreements are subject to certain borrowing terms and conditions.

Note Payable to Bank

The Company has notes payable to a commercial bank related to the financing of certain equipment which secures the notes.

Senior Secured Notes

The Company issued its Senior Secured Notes in June 2020. The Senior Secured Notes are fully and unconditionally guaranteed, jointly and severally, on a senior second lien secured basis, by certain subsidiaries of the Company that guarantee the Company’s senior committed credit facility and by Gain Capital Holdings, Inc. and certain of its domestic subsidiaries.

The Company incurred debt issuance costs of $9.5 million in connection with the issuance of the Senior Secured Notes, which are being amortized over the term of the Senior Secured Notes under the effective interest method. Since June 15, 2022, the Company has had the right to redeem the Senior Secured Notes, in whole or in part, at the redemption prices set forth in the indenture. The notes will mature on June 15, 2025.

The following table sets forth a listing of credit facilities, the current committed amounts as of the report date on the facilities, and outstanding (in millions, except for percentages):

Borrower	Security	Renewal/Expiration Date	Total Commitment	Amounts Outstanding December 31, 2023		Amounts Outstanding September 30, 2023
Committed Credit Facilities						
Senior StoneX Group Inc. Committed Credit Facility - Revolving Line of Credit	(1)	April 21, 2026	$ 500.0	$ 253.0	(5)	$ 150.0
StoneX Financial Inc.	None	October 29, 2024	190.0	—	(5)	—
StoneX Commodity Solutions LLC	Certain assets	July 28, 2024	400.0	51.0	(5)	103.0
StoneX Financial Ltd.	None	October 12, 2024	100.0	40.0	(5)	25.0
StoneX Financial Pte. Ltd.	None	September 6, 2024	10.0	—	(5)	—
			$ 1,200.0	$ 344.0		$ 278.0
Uncommitted Credit Facilities	Various			67.1	(5)	55.5
Note Payable to Bank	Certain equipment			7.4	(5)	7.5
Senior Secured Notes	(2)			342.9	(3),(4)	342.1
Total outstanding borrowings				$ 761.4		$ 683.1

(1) The StoneX Group Inc. senior committed credit facility is a revolving facility secured by substantially all of the assets of StoneX Group Inc. and certain subsidiaries identified in the credit facility agreement as obligors, and pledged equity of certain subsidiaries identified in the credit facility as limited guarantors. The maturity date remains April 21, 2025 for one lender representing $42.5 million of the facility commitment.

(2) The Senior Secured Notes and the related guarantees are secured by liens on substantially all of the Company's and the guarantors' assets, subject to certain customary and other exceptions and permitted liens. The liens on the assets that secure the Senior Secured Notes and the related guarantees are contractually subordinated to the liens on the assets that secure the Company's and the guarantors' existing and future first lien secured indebtedness, including indebtedness under the Company's senior committed credit facility.

(3) Amounts outstanding under the Senior Secured Notes are reported net of unamortized original issue discount of $5.1 million and $5.8 million, in the respective periods presented.

(4) Included in *Senior secured borrowings, net* on the Condensed Consolidated Balance Sheets.

(5) Included in *Lenders under loans* on the Condensed Consolidated Balance Sheets.

As reflected above, certain of the Company's committed credit facilities are scheduled to expire during the next twelve months following the quarterly period ended December 31, 2023. The Company intends to renew or replace these facilities as they expire, and based on the Company's liquidity position and capital structure, the Company believes it will be able to do so.

Note 10 – Securities and Commodity Financing Transactions

The Company's repurchase agreements and securities borrowing and lending arrangements are generally recorded at cost in the Condensed Consolidated Balance Sheets, which is a reasonable approximation of their fair values due to their short-term nature. Secured borrowing and lending arrangements are entered into to obtain collateral necessary to effect settlement, finance inventory positions, meet customer needs or re-lend as part of our dealer operations. The fair value of securities loaned and borrowed is monitored daily compared with the related payable or receivable, and additional collateral or returning excess collateral is requested, as appropriate. These arrangements may serve to limit credit risk resulting from our transactions with our counterparties. Financial instruments are pledged as collateral under repurchase agreements, securities lending agreements and other secured arrangements, including clearing arrangements. Agreements with counterparties generally contain contractual provisions allowing counterparties the right to sell or repledge collateral. Either the Company or its counterparties may require additional collateral. All collateral is held by the Company or a custodian.

The following tables set forth the carrying value of repurchase agreements, and securities lending agreements by remaining contractual maturity (in millions):

	December 31, 2023				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	$ 8,302.7	$ 1,657.6	$ 79.5	$ 50.9	$ 10,090.7
Securities loaned	942.7	—	—	—	942.7
Gross amount of secured financing	$ 9,245.4	$ 1,657.6	$ 79.5	$ 50.9	$ 11,033.4

	September 30, 2023				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	$ 8,300.0	$ 786.8	$ 107.0	$ 2.6	$ 9,196.4
Securities loaned	1,117.3	—	—	—	1,117.3
Gross amount of secured financing	$ 9,417.3	$ 786.8	$ 107.0	$ 2.6	$ 10,313.7

Offsetting of Collateralized Transactions

The following table sets forth the carrying value of repurchase agreements and securities lending agreements by class of collateral pledged (in millions):

Securities sold under agreements to repurchase	December 31, 2023	September 30, 2023
U.S. Treasury obligations	$ 4,227.7	$ 3,696.1
U.S. government agency obligations	350.5	542.2
Asset-backed obligations	70.3	102.9
Agency mortgage-backed obligations	4,860.3	4,371.6
Foreign government obligations	233.3	148.1
Corporate bonds	348.6	335.5
Total securities sold under agreement to repurchase	$ 10,090.7	$ 9,196.4
Securities loaned		
Equity securities	$ 942.7	$ 1,117.3
Total securities loaned	942.7	1,117.3
Gross amount of secured financing	$ 11,033.4	$ 10,313.7

The following tables provide the netting of securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned as of the periods indicated (in millions):

	December 31, 2023		
Offsetting of collateralized transactions:	Gross Amounts Recognized	Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts Presented in the Condensed Consolidated Balance Sheet
Securities purchased under agreements to resell	$ 7,836.3	$ (4,036.5)	$ 3,799.8
Securities borrowed	$ 994.5	$ —	$ 994.5
Securities sold under agreements to repurchase	$ 10,090.7	$ (4,036.5)	$ 6,054.2
Securities loaned	$ 942.7	$ —	$ 942.7

	September 30, 2023		
Offsetting of collateralized transactions:	Gross Amounts Recognized	Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts Presented in the Condensed Consolidated Balance Sheet
Securities purchased under agreements to resell	$ 7,649.3	$ (4,669.8)	$ 2,979.5
Securities borrowed	$ 1,129.1	$ —	$ 1,129.1
Securities sold under agreements to repurchase	$ 9,196.4	$ (4,669.8)	$ 4,526.6
Securities loaned	$ 1,117.3	$ —	$ 1,117.3

The Company pledges securities owned as collateral in both tri-party and bilateral arrangements. Pledged securities under tri-party arrangements may not be repledged or sold by the Company's counterparties, whereas bilaterally pledged securities may be. The approximate fair value of pledged securities that can be sold or repledged by the Company's counterparties has been parenthetically disclosed on the Condensed Consolidated Balance Sheets.

The Company receives securities as collateral under reverse repurchase agreements, securities borrowed agreements, and margin securities held on behalf of counterparties. This collateral is used by the Company to cover financial instruments sold, not yet purchased; to obtain financing in the form of repurchase agreements; and to meet counterparties' needs under lending arrangement and matched-booked trading strategies. Additional securities collateral is obtained as necessary to ensure such transactions are adequately collateralized. In many instances, the Company is permitted by contract to repledge the securities received as collateral, which may include pledges to cover collateral requirements for tri-party repurchase agreements.

The following table sets forth the carrying value of collateral pledged, received and repledged (in millions):

	December 31, 2023	September 30, 2023
Securities pledged or repledged to cover collateral requirements for tri-party arrangements	$ 5,321.7	$ 4,726.6
Securities received as collateral that may be repledged	$ 9,133.0	$ 9,180.1
Securities received as collateral that may be repledged covering securities sold short	$ 2,130.6	$ 2,461.1
Repledged securities borrowed and client securities held under custodial clearing arrangements to collateralize securities loaned agreements	$ 911.9	$ 1,097.3

Note 11 – Commitments and Contingencies

Contingencies

The Company had receivables, net of collections and other allowable deductions, of $15.2 million as of December 31, 2023, due from account holders in connection with the OptionSellers matter previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2023. The allowance against these uncollected balances was $4.6 million as of December 31, 2023. The Company is pursuing collection of the uncollected balances through arbitration proceedings against the account holders. The Company will consider developments in these proceedings, and any other relevant matters, in determining whether any changes in the allowance against the uncollected balances are required.

In these and other arbitration proceedings, clients are seeking damages from StoneX Financial Inc. related to the trading losses in their accounts.

During the three months ended December 31, 2023, the Company favorably resolved several of these arbitration claims through arbitration decisions and privately negotiated settlements. All of the arbitration panels that issued decisions during the period awarded StoneX Financial Inc. the full amount of the uncollected balances. As noted, several of the arbitrations were resolved through privately negotiated settlement, pursuant to which the account holders agreed to pay some or all of their outstanding deficit balances. The Company intends to continue vigorously pursuing claims through arbitration and settling cases in what the Company determines to be appropriate circumstances. The ultimate outcome of remaining arbitrations cannot presently be determined.

Depending on future collections and the outcomes of arbitration proceedings, any provisions for bad debts and actual losses may be material to the Company's financial results. However, the Company believes that the likelihood of a material adverse outcome is remote, and does not currently believe that any potential losses related to this matter would impact its ability to comply with its ongoing liquidity, capital, and regulatory requirements.

Legal Proceedings

From time to time and in the ordinary course of business, the Company is involved in various legal actions and proceedings, including tort claims, contractual disputes, employment matters, workers' compensation claims and collections. The Company carries insurance that provides protection against certain types of claims, up to the relevant policy's limits.

On November 13, 2023, BTIG filed a civil complaint (the "BTIG complaint) against the Company and StoneX Financial Inc. in San Francisco Superior Court (CGC-23-610525) seeking monetary damages and injunctive relief for, among other things, alleged theft of purported trade secrets by former BTIG employees later employed at StoneX. The Company intends to vigorously defend itself. In addition, the Company subsequently received from the U.S. Department of Justice (the "DOJ") and the SEC subpoenas that the Company believes are related to conduct alleged in the BTIG complaint, and the Company is cooperating with these agencies. The ultimate outcomes of the BTIG complaint and the DOJ and SEC subpoenas cannot presently be determined.

As of December 31, 2023 and September 30, 2023, the Condensed Consolidated Balance Sheets include loss contingency accruals which are not material, individually or in the aggregate, to the Company's financial position or liquidity. In the opinion of management, possible exposure from loss contingencies in excess of the amounts accrued, is not likely to be material to the Company's earnings, financial position or liquidity.

Contractual Commitments

Self-Insurance

The Company self-insures its costs related to medical and dental claims. The Company is self-insured, up to a stop loss amount, for eligible participating employees and retirees, and for qualified dependent medical and dental claims, subject to deductibles and limitations. As of December 31, 2023, the Company had $1.8 million accrued for self-insured medical and dental claims included in *Accounts payable and other accrued liabilities* in the Condensed Consolidated Balance Sheet.

Note 12 – Accumulated Other Comprehensive Loss, Net

Accumulated other comprehensive loss, net consists of net income and other gains and losses affecting stockholders' equity that, under U.S. GAAP, are excluded from net income. Other comprehensive income includes net actuarial losses from defined benefit pension plans, foreign currency translation adjustments, and cash flow hedge gains or losses. See note 4 for additional information on cash flow hedges.

The following table summarizes the changes in accumulated other comprehensive loss, net for the three months ended December 31, 2023.

(in millions)	Foreign Currency Translation Adjustment	Pension Benefits Adjustment	Cash Flow Hedge	Accumulated Other Comprehensive Loss, net
Balances as of September 30, 2023	$ (31.2)	$ (2.2)	$ (18.4)	$ (51.8)
Other comprehensive income, net of tax	6.9	—	20.7	27.6
Balances as of December 31, 2023	$ (24.3)	$ (2.2)	$ 2.3	$ (24.2)

Note 13 – Revenue from Contracts with Clients

The Company accounts for revenue earned from contracts with clients for services such as the execution, clearing, brokering, and custody of futures and options on futures contracts, OTC derivatives, and securities, investment management, and underwriting services in accordance with FASB ASC 606, Revenues from Contracts with Customers (Topic 606). Revenues for these services are recognized when the performance obligations related to the underlying transaction are completed.

Revenues are recognized when control of the promised goods or services are transferred to clients, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are analyzed to determine whether the Company is the principal (i.e., reports revenue on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the good or service before control is transferred to a client. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred, and discretion in establishing the price.

Topic 606 does not apply to revenues associated with dealing, or market-making, activities in financial instruments or contracts in the capacity of a principal, including derivative sales contracts which result in physical settlement and interest income.

Revenues within the scope of Topic 606 are presented within *Commission and clearing fees*; *Consulting, management, and account fees*; and *Sales of physical commodities* on the Condensed Consolidated Income Statements. Revenues that are not within the scope of Topic 606 are presented within *Sales of physical commodities*, *Principal gains, net*, and *Interest income* on the Condensed Consolidated Income Statements.

	Three Months Ended December 31,	
(in millions)	2023	2022
Revenues from contracts with clients as a percentage of total revenues	3.2 %	7.3 %

The following table represents a disaggregation of the Company's total revenues separated between revenues from contracts with clients and other sources of revenue for the periods indicated.

	Three Months Ended December 31,	
(in millions)	**2023**	**2022**
Revenues from contracts with clients:		
Commission and clearing fees:		
Sales-based:		
Exchange-traded futures and options	$ 51.4	$ 48.7
OTC derivative brokerage	2.8	3.6
Equities and fixed income	16.5	15.4
Mutual funds	0.7	0.6
Insurance and annuity products	2.0	1.8
Other	(0.1)	1.1
Total sales-based commission	73.3	71.2
Trailing:		
Mutual funds	3.0	3.0
Insurance and annuity products	3.7	3.5
Total trailing commission	6.7	6.5
Clearing fees	43.3	36.0
Trade conversion fees	4.0	2.4
Other	2.4	1.9
Total commission and clearing fees	129.7	118.0
Consulting, management, and account fees:		
Underwriting fees	—	0.2
Asset management fees	11.4	10.7
Advisory and consulting fees	8.2	8.7
Sweep program fees	11.4	11.4
Client account fees	4.2	3.8
Other	3.3	5.0
Total consulting, management, and account fees	38.5	39.8
Sales of physical commodities:		
Precious metals sales under ASC Topic 606	459.2	788.6
Total revenues from contracts with clients	$ 627.4	$ 946.4
Method of revenue recognition:		
Point-in-time	$ 589.7	$ 909.1
Time elapsed	37.7	37.3
Total revenues from contracts with clients	627.4	946.4
Other sources of revenues		
Physical precious metals under ASC Topic 815	17,162.5	10,479.0
Physical agricultural and energy products	1,199.2	1,135.8
Principal gains, net	293.8	254.2
Interest income	290.1	196.2
Total revenues	$ 19,573.0	$ 13,011.6
Total revenues by primary geographic region:		
United States	$ 1,603.5	$ 1,563.6
Europe	658.4	915.0
South America	128.0	62.2
Middle East and Asia	17,175.6	10,466.3
Other	7.5	4.5
Total revenues	$ 19,573.0	$ 13,011.6
Operating revenues by primary geographic region:		
United States	$ 568.0	$ 489.9
Europe	135.6	101.5
South America	41.2	31.5
Middle East and Asia	32.0	27.4
Other	7.4	4.5
Total operating revenues	$ 784.2	$ 654.8

The substantial majority of the Company's performance obligations for revenues from contracts with clients are satisfied at a point in time and are typically collected from clients by debiting their accounts with the Company.

Commission and clearing fees revenue and *Consulting, management, and account fees* revenue are primarily related to the Commercial, Institutional and Retail reportable segments. *Sales of physical commodities* under topic 606 are primarily related to the Company's Commercial and Retail segments. *Principal gains, net* are contributed by all of the Company's reportable segments. *Interest income* is primarily related to the Commercial and Institutional reportable segments. Precious metals trading and agricultural and energy product trading revenues are primarily related to the Commercial reportable segment. Precious metals sales that are recognized on a point-in-time basis are included in the Retail and the Commercial reportable segments

Principal gains, net also includes dividend income on long equity positions and dividend expense on short equity positions, which are recognized on the ex-dividend date. The following table indicates the relevant income and expense:

	Three Months Ended December 31,	
(in millions)	**2023**	**2022**
Dividend income on long equity positions	$ 20.2	$ 14.2
Dividend expense on short equity positions	18.8	13.2
Dividend income, net reported within Principal Gains, net	$ 1.4	$ 1.0

Remaining Performance Obligations

Remaining performance obligations are services that the Company has committed to perform in the future in connection with its contracts with clients. The Company's remaining performance obligations are generally related to its risk management consulting and asset management contracts with clients. Revenues associated with remaining performance obligations related to these contracts with clients are not material to the overall consolidated results of the Company. For the Company's asset management activities, where fees are calculated based on a percentage of the fair value of eligible assets in client's accounts, future revenue associated with remaining performance obligations cannot be determined as such fees are subject to fluctuations in the fair value of eligible assets in clients' accounts.

Note 14 – Other Expenses

Other expenses consisted of the following, for the periods indicated.

	Three Months Ended December 31,	
(in millions)	**2023**	**2022**
Non-income taxes	$ 2.5	$ 4.7
Insurance	2.9	2.7
Employee related expenses	1.9	3.6
Other direct business expenses	4.4	4.0
Membership fees	0.9	0.8
Director and public company expenses	0.5	0.5
Office expenses	0.6	0.4
Other expenses	3.2	2.7
Total other expenses	$ 16.9	$ 19.4

Note 15 – Income Taxes

The income tax provision for interim periods comprises income tax on ordinary income (loss) at the most recent estimated annual effective income tax rate, adjusted for the income tax effect of discrete items. Management uses an estimated annual effective income tax rate based on the forecasted pretax income/(loss) and statutory tax rates in the various jurisdictions in which the Company operates. The Company's effective income tax rate differs from the U.S. statutory income tax rate primarily due to state and local taxes, global intangible low taxed income ("GILTI"), and differing statutory tax rates applied to the income of non-U.S. subsidiaries. The Company records the tax effect of certain discrete items, including the effects of changes in tax laws, tax rates and adjustments with respect to valuation allowances or other unusual or nonrecurring tax adjustments, in the interim period in which they occur, as an addition to, or reduction from, the income tax provision, rather than being included in the estimated effective annual income tax rate. In addition, jurisdictions with a projected loss for the year or a year-to-date loss where no income tax benefit can be recognized are excluded from the estimated annual effective income tax rate.

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. The Company is required to assess its deferred tax assets and the need for a valuation allowance at each reporting period. This assessment requires judgment on the part of management with respect to benefits that may be realized. The Company will record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of the deferred tax assets will not be realized.

Current and Prior Period Tax Expense

Income tax expense of $26.6 million and $19.0 million for the three months ended December 31, 2023 and 2022, respectively, reflects estimated federal, foreign, state and local income taxes.

The Company's effective tax rate was 28% and 20% for the three months ended December 31, 2023 and 2022, respectively. The effective tax rate was higher than the U.S. federal statutory rate of 21% for the three months ended December 31, 2023 due to U.S. state and local taxes, GILTI, U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher rates. The three months ended December 31, 2022 included the Gain on acquisition, which was non-taxable, and lowered the tax rate in comparison to the three months ended December 31, 2023.

Note 16 – Regulatory Capital Requirements

The Company's activities are subject to significant governmental regulation, both in the U.S. and in the international jurisdictions in which it operates. Subsidiaries of the Company were in compliance with all of their minimum capital regulatory requirements as of December 31, 2023. The following table details those subsidiaries with minimum capital regulatory requirements in excess of $10.0 million along with the actual balance maintained as of that date.

(in millions)		As of December 31, 2023	
Subsidiary	Regulatory Authority	Actual	Minimum Requirement
StoneX Financial Inc.	SEC and CFTC	$ 389.0	$ 227.9
StoneX Financial Ltd.	FCA	$ 456.9	$ 358.0
Gain Capital Group, LLC	CFTC and NFA	$ 54.0	$ 29.6
StoneX Financial Pte. Ltd.	MAS	$ 79.3	$ 23.8
StoneX Markets LLC	CFTC and NFA	$ 220.4	$ 138.3

Certain other subsidiaries of the Company, typically with a minimum requirement less than $10.0 million, are also subject to net capital requirements promulgated by authorities in the countries in which they operate. As of December 31, 2023, all of the Company's subsidiaries were in compliance with their local minimum capital regulatory requirements.

Note 17 – Segment Analysis

The Company's operating segments are principally based on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, its payments business. The Company manages its business in this manner due to its large global footprint, in which it has approximately 4,000 employees allowing it to serve clients in more than 180 countries.

The Company's business activities are managed as operating segments, which are our reportable segments for financial statement purposes as shown below.

- *Commercial*
- *Institutional*
- *Retail*
- *Payments (previously disclosed as Global Payments)*

Commercial

The Company offers commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing of exchange-traded and OTC products, voice brokerage, market intelligence and physical trading, as well as commodity financing and logistics services. The ability to provide these high-value-added products and services differentiates the Company from its competitors and maximizes the opportunity to retain clients.

Institutional

The Company provides institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally, as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, the Company originates, structures and places debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

Retail

The Company provides retail clients around the world access to over 18,000 global financial markets, including spot foreign exchange ("forex"), both financial trading and physical investment in precious metals, as well as contracts for difference (“CFDs”), which are investment products with returns linked to the performance of underlying assets. In addition, its independent wealth management business offers a comprehensive product suite to retail investors in the U.S.

Payments

The Company provides customized foreign exchange and treasury services to banks and commercial businesses, as well as charities and non-governmental organizations and government organizations. The Company provides transparent pricing and offers payments services in more than 180 countries and 140 currencies, which it believes is more than any other payments solution provider.

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The total revenues reported combine gross revenues from physical contracts for subsidiaries that are not broker-dealers and net revenues for all other businesses. In order to reflect the way that the Company’s management views the results, the table below also reflects the segment contribution to ‘operating revenues’, which is shown on the face of the consolidated income statements and which is calculated by deducting physical commodities cost of sales from total revenues.

Segment data includes the profitability measure of net contribution by segment. Net contribution is one of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of the Company’s resources. Net contribution is calculated as revenue less direct cost of sales, transaction-based clearing expenses, variable compensation, introducing broker commissions, and interest expense. Variable compensation paid to risk management consultants/traders generally represents a fixed percentage of revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and an overhead allocation.

Segment data also includes segment income which is calculated as net contribution less non-variable direct expenses of the segment. These non-variable direct expenses include trader base compensation and benefits, operational employee compensation and benefits, communication and data services, business development, professional fees, bad debt expense and other direct expenses.

Inter-segment revenues, expenses, receivables and payables are eliminated upon consolidation.

Total revenues, operating revenues and net operating revenues shown in the table below as “Corporate” primarily consist of interest income from the Company’s centralized corporate treasury function. In the normal course of operations, the Company operates a centralized corporate treasury function in which it may sweep excess cash from certain subsidiaries, where permitted within regulatory limitations, in exchange for a short-term interest bearing intercompany payable, or provide excess cash to subsidiaries in exchange for a short-term interest bearing intercompany receivable in lieu of the subsidiary borrowing on external credit facilities. The intercompany receivables and payables are eliminated during consolidation.

“Overhead costs and expenses” include costs and expenses of certain shared services such as information technology, accounting and treasury, credit and risk, legal and compliance, and human resources and other activities. These amount represent the gross overhead costs and expenses, before any allocation of overhead costs to operating segments.

Information for the reportable segments is shown in accordance with the Segment Reporting Topic of the ASC as follows:

	Three Months Ended December 31,	
(in millions)	2023	2022
Total revenues:		
Commercial	$ 18,978.0	$ 12,293.5
Institutional	435.7	343.5
Retail	101.7	316.2
Payments	60.6	55.4
Corporate	9.2	12.8
Eliminations	(12.2)	(9.8)
Total	$ 19,573.0	$ 13,011.6
Operating revenues:		
Commercial	$ 198.4	$ 182.4
Institutional	435.7	343.5
Retail	92.5	70.5
Payments	60.6	55.4
Corporate	9.2	12.8
Eliminations	(12.2)	(9.8)
Total	$ 784.2	$ 654.8
Net operating revenues (loss):		
Commercial	$ 163.4	$ 152.7
Institutional	148.6	143.2
Retail	67.0	43.9
Payments	58.2	53.3
Corporate	(15.6)	(11.1)
Total	$ 421.6	$ 382.0
Net contribution:		
(Revenues less cost of sales of physical commodities, transaction-based clearing expenses, variable compensation, introducing broker commissions and interest expense)		
Commercial	$ 126.4	$ 115.7
Institutional	100.2	94.6
Retail	62.6	39.2
Payments	47.6	42.1
Total	$ 336.8	$ 291.6
Segment income:		
(Net contribution less non-variable direct segment costs)		
Commercial	$ 87.2	$ 82.8
Institutional	65.2	62.0
Retail	28.7	(4.2)
Payments	35.0	32.3
Total	$ 216.1	$ 172.9
Reconciliation of segment income to income before tax:		
Segment income	$ 216.1	$ 172.9
Net operating revenues (loss) within Corporate	(15.6)	(11.1)
Overhead costs and expenses	(104.8)	(89.7)
Gain on acquisition	—	23.5
Income before tax	$ 95.7	$ 95.6

(in millions)	As of December 31, 2023	As of September 30, 2023
Total assets:		
Commercial	$ 4,712.7	$ 4,676.3
Institutional	16,140.9	15,059.3
Retail	1,138.2	1,014.2
Payments	414.0	376.6
Corporate	839.0	812.3
Total	$ 23,244.8	$ 21,938.7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Throughout this document, unless the context otherwise requires, the terms "Company", "we", "us" and "our" refer to StoneX Group Inc. and its consolidated subsidiaries.

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this report. This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company, including adverse changes in economic, political and market conditions, losses from our market-making and trading activities arising from counterparty failures and changes in market conditions, the loss of key personnel, the impact of increasing competition, the impact of changes in government regulation, the possibility of liabilities arising from violations of foreign, United States ("U.S.") federal and U.S. state securities laws, and the impact of changes in technology in the securities and commodities trading industries. Although we believe that our forward-looking statements are based upon reasonable assumptions regarding our business and future market conditions, there can be no assurances that our actual results will not differ materially from any results expressed or implied by our forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. We caution readers that any forward-looking statements are not guarantees of future performance.

Overview

We operate a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service and deep expertise. We strive to be the one trusted partner to our clients, providing our network, product and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. Our businesses are supported by our global infrastructure of regulated operating subsidiaries, our advanced technology platform and our team of approximately 4,000 employees as of December 31, 2023. We believe our client-first approach differentiates us from large banking institutions, engenders trust and has enabled us to establish leadership positions in a number of complex fields in financial markets around the world. For additional information, see *Overview of Business and Strategy* within "Item 1. Business" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023.

We report our operating segments based primarily on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, our payments business. See Segment Information, below, for a listing of business activities performed within our reportable segments.

Common Stock Split

On November 7, 2023, our Board of Directors approved a three-for-two split of its common stock, to be effected as a stock dividend. The stock split was effective on November 24, 2023, and entitled each shareholder of record as of November 17, 2023 to receive one additional share of common stock for every two shares owned and cash in lieu of fractional shares.

The stock split increased the number of shares of common stock outstanding. All share and per share amounts contained herein have been retroactively adjusted for the stock split.

Executive Summary

In the first quarter of fiscal 2024, our continued efforts to increase client engagement and expand our product offerings resulted in continued growth in transactional volumes across many of our key products, including listed and OTC derivatives as well as securities products. However, a general decline in market volatility led to a narrowing of spreads captured compared to the prior year, with the exception of FX / CFD contracts, which experienced a strong rebound in rate per million, or RPM, versus weak performance in the prior year.

In addition, we continued to experience growth in interest and fee income earned on client balances, which increased 14% compared to the prior year, principally as a result of increases in short term interest rates, offset by a 25% decline in average client equity from record levels experienced in the prior year, as well as a 31% decline in average money-market/FDIC sweep balances.

Operating revenues increased $129.4 million, or 20%, to $784.2 million in the three months ended December 31, 2023 compared to $654.8 million in the three months ended December 31, 2022, with all of our segments experiencing growth versus the prior year, led by our Institutional and Retail segments which added $92.2 million and $22.0 million, respectively, compared to the three months ended December 31, 2022. Additionally, our Commercial and Payments segments added $16.0 million and $5.2 million, respectively, compared to the three months ended December 31, 2022.

Overall segment income increased $43.2 million, or 25%, compared to the three months ended December 31, 2022, with all of our segments experiencing growth versus the prior year, led by our Retail segment which added $32.9 million compared to the three months ended December 31, 2022. Our Commercial segment income increased $4.4 million compared to the three months ended December 31, 2022, while our Institutional and Payments segments, increased $3.2 million and $2.7 million, respectively, compared to the three months ended December 31, 2022.

Interest expense paid on client balances declined $0.2 million, to $36.3 million, compared to the three months ended December 31, 2022. Interest expense related to corporate funding purposes decreased $1.2 million to $13.2 million in the three months ended December 31, 2023 compared to $14.4 million in the three months ended December 31, 2022.

On the expense side, we continue to focus on maintaining our variable cost model and limiting the growth of our non-variable expenses. Variable expenses were 54% of total expenses, in both the three months ended December 31, 2023 and 2022. Non-variable expenses, excluding bad debts, increased $13.6 million compared to the three months ended December 31, 2022, principally due to higher fixed compensation and benefits, non-trading technology and support, travel and business development and trading system and market information.

Net income decreased $7.5 million to $69.1 million in the three months ended December 31, 2023 compared to $76.6 million in the three months ended December 31, 2022. Net income in the three months ended December 31, 2022, included a non-taxable $23.5 million gain on the acquisition of CDI-Societe Cotonniere De Distribution S.A. (“CDI”), which is included in *Gain on acquisition* in the Condensed Consolidated Income Statement. Diluted earnings per share were $2.13 for the three months ended December 31, 2023 compared to $2.41 in the three months ended December 31, 2022.

Selected Summary Financial Information

Results of Operations

Our total revenues, as reported, combine gross revenues for the physical commodities business and net revenues for all other businesses. Management believes that operating revenues, which deduct the cost of sales of physical commodities from total revenues, is a more useful financial measure with which to assess our results of operations. The table below sets forth our operating revenues, as well as other key financial measures, for the periods indicated.

Financial Information (Unaudited)

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Revenues:			
Sales of physical commodities	$ 18,820.9	$ 12,403.4	52%
Principal gains, net	293.8	254.2	16%
Commission and clearing fees	129.7	118.0	10%
Consulting, management, and account fees	38.5	39.8	(3)%
Interest income	290.1	196.2	48%
Total revenues	19,573.0	13,011.6	50%
Cost of sales of physical commodities	18,788.8	12,356.8	52%
Operating revenues	784.2	654.8	20%
Transaction-based clearing expenses	74.3	67.3	10%
Introducing broker commissions	39.1	36.8	6%
Interest expense	236.0	154.3	53%
Interest expense on corporate funding	13.2	14.4	(8)%
Net operating revenues	421.6	382.0	10%
Compensation and benefits	218.1	199.0	10%
Bad debts (recoveries), net	(0.3)	0.7	n/m
Other expenses	108.1	110.2	(2)%
Total compensation and other expenses	325.9	309.9	5%
Gain on acquisition	—	23.5	(100)%
Income before tax	95.7	95.6	—%
Income tax expense	26.6	19.0	40%
Net income	$ 69.1	$ 76.6	(10)%
Return on average stockholders' equity	19.3 %	27.3 %	
Balance Sheet information:	**December 31, 2023**	**December 31, 2022**	**% Change**
Total assets	$ 23,244.8	$ 19,832.4	17%
Payables to lenders under loans	$ 418.5	$ 582.3	(28)%
Senior secured borrowings, net	$ 342.9	$ 339.8	1%
Stockholders' equity	$ 1,482.8	$ 1,176.6	26%

n/m = not meaningful to present as a percentage

The tables below present operating revenues disaggregated across the key products we provide to our clients and select operating data and metrics used by management in evaluating our performance, for the periods indicated.

All $ amounts are U.S. dollar or U.S. dollar equivalents	Three Months Ended December 31,		
	2023	2022	% Change
Operating Revenues (in millions):			
Listed derivatives	$ 109.2	$ 99.8	9%
Over-the-counter ("OTC") derivatives	44.5	42.5	5%
Securities	316.2	234.1	35%
FX / Contracts For Difference ("CFD") contracts	74.6	48.8	53%
Payments	59.4	54.2	10%
Physical contracts	51.4	59.7	(14)%
Interest / fees earned on client balances	98.4	86.2	14%
Other	33.5	26.5	26%
Corporate	9.2	12.8	(28)%
Eliminations	(12.2)	(9.8)	24%
	$ 784.2	$ 654.8	20%
Volumes and Other Select Data (all $ amounts are U.S. dollar or U.S. dollar equivalents):			
Listed derivatives (contracts, 000's)	50,759	40,199	26%
Listed derivatives, average rate per contract [(1)]	$ 2.03	$ 2.33	(13)%
Average client equity - listed derivatives (millions)	$ 6,170	$ 8,222	(25)%
OTC derivatives (contracts, 000's)	814	717	14%
OTC derivatives, average rate per contract	$ 54.92	$ 60.08	(9)%
Securities average daily volume ("ADV") (millions)	$ 6,224	$ 4,231	47%
Securities rate per million ("RPM") [(2)]	$ 295	$ 422	(30)%
Average money market / FDIC sweep client balances (millions)	$ 1,060	$ 1,535	(31)%
FX / CFD contracts ADV (millions)	$ 10,917	$ 12,830	(15)%
FX / CFD contracts RPM	$ 109	$ 63	73%
Payments ADV (millions)	$ 75	$ 75	—%
Payments RPM	$ 12,557	$ 11,431	10%

(1) Give-up fee revenue, related to contract execution for clients of other FCMs, as well as cash and voice brokerage revenues are excluded from the calculation of listed derivatives, average rate per contract.

(2) Interest expense associated with our fixed income activities is deducted from operating revenues in the calculation of Securities RPM, while interest income related to securities lending is excluded.

Operating Revenues

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Operating revenues increased $129.4 million, or 20%, to $784.2 million in the three months ended December 31, 2023 compared to $654.8 million in the three months ended December 31, 2022.

Operating revenues derived from listed derivatives increased $9.4 million, or 9%, to $109.2 million in the three months ended December 31, 2023 compared to $99.8 million in the three months ended December 31, 2022. This increase was principally due to a 26% increase in listed derivative contract volumes, partially offset by a 13% decline in the average rate per contract compared to the three months ended December 31, 2022.

Operating revenues derived from OTC derivatives increased $2.0 million, or 5%, to $44.5 million in the three months ended December 31, 2023 compared to $42.5 million in the three months ended December 31, 2022. The increase was the result of a 14% increase in OTC derivative contract volumes, partially offset by a 9% decline in the average rate per contract compared to the three months ended December 31, 2022.

Operating revenues derived from securities transactions increased $82.1 million, or 35%, to $316.2 million in the three months ended December 31, 2023 compared to $234.1 million in the three months ended December 31, 2022. This increase was principally due to a 47% increase in ADV, as well as a significant increase in interest rates. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. We deduct interest expense associated with our fixed income activities from operating revenues in the calculation of securities RPM in the table above in order to provide a more useful measure of the financial performance of our securities business. Net operating revenues derived from securities transactions increased $2.5 million, or 3%, to $95.9 million in the three months ended December 31, 2023 compared to $93.4 million in the three months ended December 31, 2022. This increase was principally due to the increase in ADV noted above, which was partially offset by a 30% decline in the RPM resulting from the tightening of spreads and a change in product mix, compared to the three months ended December 31, 2022.

Operating revenues derived from FX/CFD contracts increased $25.8 million, or 53%, to $74.6 million in the three months ended December 31, 2023 compared to $48.8 million in the three months ended December 31, 2022, principally due to a 73% increase in the FX/CFD RPM, which was partially offset by a 15% decline in the FX/CFD contracts ADV, compared to the three months ended December 31, 2022.

Operating revenues from payments increased $5.2 million, or 10%, to $59.4 million in the three months ended December 31, 2023 compared to $54.2 million in the three months ended December 31, 2022, principally driven by a 10% increase in the RPM, compared to the three months ended December 31, 2022.

Operating revenues derived from physical contracts declined $8.3 million, or 14%, to $51.4 million in the three months ended December 31, 2023 compared to $59.7 million in the three months ended December 31, 2022. This decrease was driven by declines in both our physical agricultural and energy and retail precious metals businesses, compared to the three months ended December 31, 2022.

Interest and fee income earned on client balances, which is associated with our listed and OTC derivatives, correspondent clearing, and independent wealth management product offerings, increased $12.2 million, or 14%, to $98.4 million in the three months ended December 31, 2023 compared to $86.2 million in the three months ended December 31, 2022. The increase was principally driven by a significant increase in short-term interest rates.

Interest and Transactional Expenses

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Transaction-based clearing expenses

	Three Months Ended December 31,			
	2023	2022	$ Change	% Change
Transaction-based clearing expenses	$ 74.3	$ 67.3	$ 7.0	10%
Percentage of operating revenues	9%	10%		

Expenses were higher in our Exchange-Traded Futures & Options, Financial Ag and Energy and LME businesses, principally related to the increase in contracts traded, and expenses were higher in the Equity Capital Markets business, principally related to the increased ADV. Partially offsetting these increases were lower expenses in the Retail Forex business, principally related to reducing costs through successful renegotiation of certain vendor contracts.

Introducing broker commissions

	Three Months Ended December 31,			
	2023	2022	$ Change	% Change
Introducing broker commissions	$ 39.1	$ 36.8	$ 2.3	6%
Percentage of operating revenues	5%	6%		

Expenses were higher in our Financial Ag and Energy business, principally due to increased volume and client mix traded, and higher in our Physical Ag and Energy business, principally due to an additional month of expenses resulting from the CDI acquisition, which was effective October 31, 2022, as well as growth in the physical cotton business following acquisition. Expenses were also higher in our Independent Wealth Management business, principally due to increased revenues. These increases were partially offset by lower payouts within our Retail Forex and Exchange-Traded Futures & Options businesses.

Interest expense

	Three Months Ended December 31,			
	2023	2022	$ Change	% Change
Interest expense attributable to:				
Trading activities:				
Institutional dealer in fixed income securities	$ 172.1	$ 96.3	$ 75.8	79 %
Securities borrowing	14.6	7.9	6.7	85 %
Client balances on deposit	36.3	36.5	(0.2)	(1)%
Short-term financing facilities of subsidiaries and other direct interest of operating segments	13.0	13.6	(0.6)	(4)%
	236.0	154.3	81.7	53 %
Corporate funding	13.2	14.4	(1.2)	(8)%
Total interest expense	$ 249.2	$ 168.7	$ 80.5	48 %

Increased interest expense attributable to trading activities principally resulted from an increase in our fixed income and securities borrowing activities, as well as the effect of the increase in short-term interest rates. The decrease in interest expense attributable to corporate funding was principally due to lower average borrowings on our revolving credit facility, partially offset by the higher short-term interest rates.

Net Operating Revenues

Net operating revenues is one of the key measures used by management to assess operating segment performance. Net operating revenue is calculated as operating revenue less transaction-based clearing expenses, introducing broker commissions and interest expense. Transaction-based clearing expenses represent variable expenses paid to executing brokers, exchanges, clearing organizations and banks in relation to our transactional volumes. Introducing broker commissions include commission paid to non-employee third parties that have introduced clients to us. Net operating revenues represent revenues available to pay variable compensation to risk management consultants and traders and direct non-variable expenses, as well as variable and non-variable expenses of operational and administrative employees, including our executive management team.

The table below presents a disaggregation of consolidated net operating revenues used by management in evaluating our performance, for the periods indicated:

	Three Months Ended December 31,		
	2023	2022	% Change
Net Operating Revenues (in millions):			
Listed derivatives	$ 50.4	$ 48.6	4%
OTC derivatives	44.4	42.5	4%
Securities	95.9	93.4	3%
FX / CFD contracts	66.2	38.1	74%
Payments	57.0	52.1	9%
Physical contracts	42.0	51.0	(18)%
Interest, net / fees earned on client balances	63.0	49.6	27%
Other	18.3	17.8	3%
Corporate	(15.6)	(11.1)	41%
	$ 421.6	$ 382.0	10%

Compensation and Other Expenses

The following table presents a summary of expenses, other than interest and transactional expenses.

	Three Months Ended December 31,		
(in millions)	2023	2022	% Change
Compensation and benefits:			
Variable compensation and benefits	$ 121.9	$ 118.5	3%
Fixed compensation and benefits	96.2	80.5	20%
	218.1	199.0	10%
Other expenses:			
Trading systems and market information	18.7	17.7	6%
Professional fees	15.7	15.9	(1)%
Non-trading technology and support	16.9	14.8	14%
Occupancy and equipment rental	7.7	8.9	(13)%
Selling and marketing	11.7	12.9	(9)%
Travel and business development	7.1	5.7	25%
Communications	2.2	2.2	—%
Depreciation and amortization	11.2	12.7	(12)%
Bad debts (recoveries), net	(0.3)	0.7	n/m
Other	16.9	19.4	(13)%
	107.8	110.9	(3)%
Total compensation and other expenses	$ 325.9	$ 309.9	5%

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Compensation and Other Expenses: Compensation and other expenses increased $16.0 million, or 5%, to $325.9 million in the three months ended December 31, 2023 compared to $309.9 million in the three months ended December 31, 2022.

Compensation and Benefits:

	Three Months Ended December 31,			
(in millions)	2023	2022	$ Change	% Change
Compensation and benefits:				
Variable compensation and benefits				
Front office	$ 99.3	$ 100.8	$ (1.5)	(1)%
Administrative, executive, and centralized and local operations	22.6	17.7	4.9	28%
Total variable compensation and benefits	121.9	118.5	3.4	3%
Variable compensation and benefits as a percentage of net operating revenues	*29%*	*31%*		
Fixed compensation and benefits:				
Non-variable salaries	72.0	61.4	10.6	17%
Employee benefits and other compensation, excluding share-based compensation	16.6	13.5	3.1	23%
Share-based compensation	7.6	5.6	2.0	36%
Total fixed compensation and benefits	96.2	80.5	15.7	20%
Total compensation and benefits	218.1	199.0	19.1	10%
Total compensation and benefits as a percentage of operating revenues	*28%*	*30%*		
Number of employees, end of period	4,192	3,725	467	13%

Non-variable salaries increased principally due to the increase in headcount resulting from expanding capabilities among our business lines, as well as the growth in our operational and overhead departments supporting our business growth, and the impact of annual merit increases.

Employee benefits and other compensation, excluding share-based compensation, increased principally due to higher payroll taxes, benefits, retirement costs, and severance. Share-based compensation, which contains stock option and restricted stock expense, increased principally due to higher employee participation in the Company's restricted stock plan.

Other Expenses: Other non-compensation expenses decreased $3.1 million, or 3%, to $107.8 million in the three months ended December 31, 2023 compared to $110.9 million in the three months ended December 31, 2022.

Non-trading technology and support increased $2.1 million, principally due to higher non-trading software maintenance and support costs related to various IT systems primarily within our Core IT and other overhead departments.

Occupancy and equipment rental costs decreased $1.2 million, principally due to a partial refund of property rates covering prior years in London.

Travel and business development increased $1.4 million, principally due to increased business development spend in our Commercial and Institutional segments, as well as higher travel costs.

Depreciation and amortization decreased $1.5 million, principally due to lower amortization, as certain intangibles, recognized as part the acquisition of Gain Capital Holdings, Inc. in fiscal 2020, became fully amortized during fiscal 2023, partially offset by incremental depreciation expense from internally developed software placed into service.

During the three months ended December 31, 2023, we recorded net recoveries of bad debts of $0.3 million, principally related to recoveries within our Institutional segment. During the three months ended December 31, 2022, bad debts, net of recoveries were $0.7 million, principally related to client trading account deficits in our Commercial and Retail segments.

Gain on Acquisition: The results of the three months ended December 31, 2022 included a nonrecurring gain of $23.5 million related to the acquisition of CDI.

Provision for Taxes: The effective income tax rate was 28% and 20% in the three months ended December 31, 2023 and 2022, respectively. The effective tax rate for the three months ended December 31, 2023 was higher than the U.S. federal statutory rate of 21% due to U.S. state and local taxes, GILTI, U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher rates. The effective tax rate for the three months ended December 31, 2022 was lower than the U.S. federal statutory rate of 21% due to the permanent difference for a non-taxable gain on acquisition, which reduced the effective income tax rate by 6.5%.

Variable vs. Fixed Expenses

The table below presents our variable expenses and non-variable expenses as a percentage of total non-interest expenses for the periods indicated.

	Three Months Ended December 31,			
(in millions)	**2023**	**% of Total**	**2022**	**% of Total**
Variable compensation and benefits	$ 121.9	28%	$ 118.5	29%
Transaction-based clearing expenses	74.3	17%	67.3	16%
Introducing broker commissions	39.1	9%	36.8	9%
Total variable expenses	235.3	54%	222.6	54%
Fixed compensation and benefits	96.2	22%	80.5	19%
Other fixed expenses	108.1	24%	110.2	27%
Bad debts (recoveries), net	(0.3)	—%	0.7	—%
Total non-variable expenses	204.0	46%	191.4	46%
Total non-interest expenses	$ 439.3	100%	$ 414.0	100%

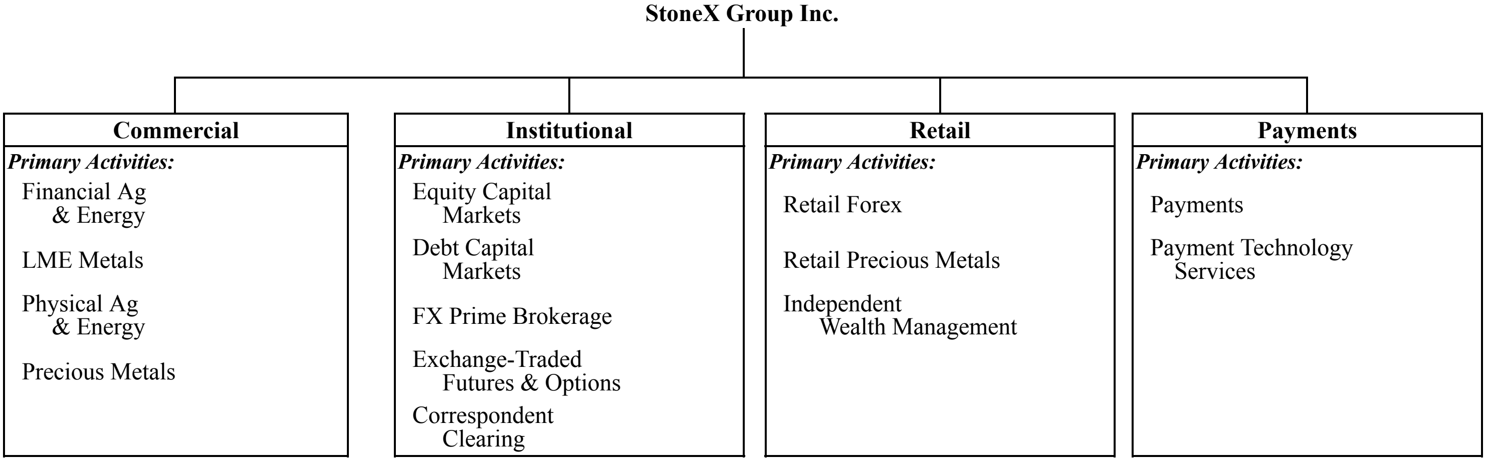
Our variable expenses include variable compensation paid to traders and risk management consultants, bonuses paid to operational, administrative, and executive employees, transaction-based clearing expenses and introducing broker commissions. We seek to make our non-interest expenses variable to the greatest extent possible, and to keep our fixed costs as low as possible.

During the three months ended December 31, 2023, non-variable expenses, excluding bad debts (recoveries), net, increased $13.6 million, or 7%, compared to the three months ended December 31, 2022.

Segment Information

Our operating segments are based principally on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, our payments business. We manage our business in this manner due to our large global footprint, in which we have more than 4,000 employees allowing us to serve clients in more than 180 countries.

Our business activities are managed as operating segments, which are our reportable segments for financial reporting purposes, as shown below.



Operating revenues, net operating revenues, net contribution and segment income are some of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of our resources. Operating revenues are calculated as total revenues less cost of sales of physical commodities.

Net operating revenues are calculated as operating revenues less transaction-based clearing expenses, introducing broker commissions and interest expense.

Net contribution is calculated as net operating revenues less variable compensation. Variable compensation paid to risk management consultants and traders generally represents a fixed percentage that can vary by revenue type. This fixed percentage is applied to revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and other expenses/allocations.

Segment income is calculated as net contribution less non-variable direct segment costs. These non-variable direct expenses include trader base compensation and benefits, operational charges, trading systems and market information, professional fees, travel and business development, communications, bad debts, trade errors and direct marketing expenses.

Segment income is used by our chief operating decision maker ("CODM") as the primary measure of segment profit or loss in the evaluation for each of our operating segments. During the three months ended December 31, 2023, we revised our method of allocating certain overhead costs to our operating segments, and, beginning in the three months ended December 31, 2023, the CODM also uses 'Segment income, less allocation of overhead costs' as an additional segment measure of our segments' financial performance. The allocation of overhead costs to operating segments includes costs associated with compliance, technology, and credit and risk costs. The share of allocated costs is based on resources consumed by the relevant businesses. In addition, the allocation of human resources and occupancy costs is principally based on employee costs within the relevant businesses. The measure of segment profit or loss most consistent with the corresponding amounts in the consolidated financial statements is segment income.

In the accompanying segment tables, 'Allocation of overhead costs' has been added beneath 'Segment income', which reconciles the segment income measure to the segment income, less allocation of overhead costs measure for the three months ended December 31, 2023.

Total Segment Results

The following table shows summary information concerning all of our business segments combined.

	Three Months Ended December 31,			
(in millions)	2023	% of Operating Revenues	2022	% of Operating Revenues
Revenues:				
Sales of physical commodities	$ 18,820.9		$ 12,403.4	
Principal gains, net	293.4		255.3	
Commission and clearing fees	130.3		118.6	
Consulting, management, and account fees	38.1		39.2	
Interest income	293.3		192.1	
Total revenues	19,576.0		13,008.6	
Cost of sales of physical commodities	18,788.8		12,356.8	
Operating revenues	787.2	100%	651.8	100%
Transaction-based clearing expenses	74.0	9%	67.1	10%
Introducing broker commissions	39.1	5%	36.8	6%
Interest expense	236.9	30%	154.8	24%
Net operating revenues	437.2		393.1	
Variable direct compensation and benefits	100.4	13%	101.5	16%
Net contribution	336.8		291.6	
Fixed compensation and benefits	49.5		45.1	
Other fixed expenses	71.5		72.9	
Bad debts (recoveries), net	(0.3)		0.7	
Total non-variable direct expenses	120.7	15%	118.7	18%
Segment income	216.1		172.9	
Allocation of overhead costs [1]	38.2		—	
Segment income, less allocation of overhead costs	$ 177.9		$ 172.9	

[1] Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended December 31, 2023. These allocations will be provided on an ongoing basis but have not been calculated for comparable periods.

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Net contribution for all of our business segments increased $45.2 million, or 16%, to $336.8 million in the three months ended December 31, 2023 compared to $291.6 million in the three months ended December 31, 2022. Segment income increased $43.2 million, or 25%, to $216.1 million in the three months ended December 31, 2023 compared to $172.9 million in the three months ended December 31, 2022.

Commercial

We offer our commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing exchange-traded and OTC products, voice brokerage, market intelligence and physical trading, as well as commodity financing and logistics services. We believe providing these high-value-added products and services differentiates us from our competitors and maximizes our opportunity to retain our clients.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Commercial segment, for the periods indicated.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Revenues:			
Sales of physical commodities	$ 18,809.5	$ 12,149.4	55%
Principal gains, net	77.1	69.7	11%
Commission and clearing fees	44.3	38.8	14%
Consulting, management and account fees	5.8	6.5	(11)%
Interest income	41.3	29.1	42%
Total revenues	18,978.0	12,293.5	54%
Cost of sales of physical commodities	18,779.6	12,111.1	55%
Operating revenues	198.4	182.4	9%
Transaction-based clearing expenses	15.8	13.2	20%
Introducing broker commissions	10.4	7.5	39%
Interest expense	8.8	9.0	(2)%
Net operating revenues	163.4	152.7	7%
Variable direct compensation and benefits	37.0	37.0	—%
Net contribution	126.4	115.7	9%
Fixed compensation and benefits	15.5	13.7	13%
Other fixed expenses	23.8	18.7	27%
Bad debts (recoveries), net	(0.1)	0.5	n/m
Non-variable direct expenses	39.2	32.9	19%
Segment income	87.2	82.8	5%
Allocation of overhead costs [1]	8.8	—	n/m
Segment income, less allocation of overhead costs	$ 78.4	$ 82.8	n/m

(1) Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended December 31, 2023. These allocations will be provided on an ongoing basis, but they have not been calculated for previously reported periods.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Operating revenues (in millions):			
Listed derivatives	$ 59.4	$ 53.8	10%
OTC derivatives	44.5	42.5	5%
Physical contracts	50.6	53.7	(6)%
Interest / fees earned on client balances	37.2	26.1	43%
Other	6.7	6.3	6%
	$ 198.4	$ 182.4	9%
Select data (all $ amounts are U.S. dollar or U.S. dollar equivalents):			
Listed derivatives (contracts, 000's)	9,523	7,887	21%
Listed derivatives, average rate per contract [1]	$ 5.95	$ 6.67	(11)%
Average client equity - listed derivatives (millions)	$ 1,700	$ 2,136	(20)%
OTC derivatives (contracts, 000's)	814	717	14%
OTC derivatives, average rate per contract	$ 54.92	$ 60.08	(9)%

(1) Give-up fee revenues, related to contract execution for clients of other FCMs, as well as cash and voice brokerage revenues are excluded from the calculation of listed derivatives, average rate per contract.

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Operating revenues increased $16.0 million, or 9%, to $198.4 million in the three months ended December 31, 2023 compared to $182.4 million in the three months ended December 31, 2022. Net operating revenues increased $10.7 million, or 7%, to $163.4 million in the three months ended December 31, 2023 compared to $152.7 million in the three months ended December 31, 2022.

Operating revenues derived from listed derivatives increased $5.6 million, or 10%, to $59.4 million in the three months ended December 31, 2023 compared to $53.8 million in the three months ended December 31, 2022. This increase was principally due to a 21% increase in overall listed derivatives contract volumes, primarily in agricultural and base metal commodity markets, compared to the prior year period. This increase was partially offset by an 11% decline in the average rate per contract compared to the three months ended December 31, 2022.

Operating revenues derived from OTC derivatives increased $2.0 million, or 5%, to $44.5 million in the three months ended December 31, 2023 compared to $42.5 million in the three months ended December 31, 2022. This increase was principally due to a 14% increase in OTC derivative volumes compared to the three months ended December 31, 2022, primarily in agricultural markets. This increase was partially offset by a 9% decline in the average rate per contract compared to the three months ended December 31, 2022.

Operating revenues derived from physical contracts declined $3.1 million, or 6%, to $50.6 million in the three months ended December 31, 2023 compared to $53.7 million in the three months ended December 31, 2022. This decrease was principally due to a $3.7 million decline in activity in our physical agricultural and energy business.

Interest and fee income earned on client balances increased $11.1 million, or 43%, to $37.2 million in the three months ended December 31, 2023 compared to $26.1 million in the three months ended December 31, 2022 as a result of a significant increase in short-term interest rates, which was partially offset by a 20% decline in average client equity to $1,700 million in the three months ended December 31, 2023.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 32% in both the three months ended December 31, 2023 and 2022.

Segment income increased $4.4 million, or 5%, to $87.2 million in the three months ended December 31, 2023 compared to $82.8 million in the three months ended December 31, 2022, principally due to the growth in operating revenues, which was partially offset by a $6.3 million increase in non-variable direct expenses. The increase in non-variable direct expenses was principally driven by a $1.8 million increase in fixed compensation and benefits, a $1.4 million increase in professional fees, a $0.8 million increase in travel and business development and a $0.6 million increase in depreciation and amortization compared to the three months ended December 31, 2022.

For the three months ended December 31, 2023, we have calculated an allocation for overhead costs of $8.8 million for the Commercial segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis. We have not calculated historical comparable information.

Institutional

We provide institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, we originate, structure and place debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Institutional segment, for the periods indicated.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Revenues:			
Sales of physical commodities	$ —	$ —	—%
Principal gains, net	103.2	101.2	2%
Commission and clearing fees	73.3	67.5	9%
Consulting, management and account fees	17.3	16.8	3%
Interest income	241.9	158.0	53%
Total revenues	435.7	343.5	27%
Cost of sales of physical commodities	—	—	—%
Operating revenues	435.7	343.5	27%
Transaction-based clearing expenses	52.9	47.0	13%
Introducing broker commissions	7.7	8.6	(10)%
Interest expense	226.5	144.7	57%
Net operating revenues	148.6	143.2	4%
Variable direct compensation and benefits	48.4	48.6	—%
Net contribution	100.2	94.6	6%
Fixed compensation and benefits	16.4	12.7	29%
Other fixed expenses	19.0	20.0	(5)%
Bad debts (recoveries), net	(0.4)	(0.1)	300%
Non-variable direct expenses	35.0	32.6	7%
Segment income	65.2	62.0	5%
Allocation of overhead costs [1]	12.8	—	n/m
Segment income, less allocation of overhead costs	$ 52.4	$ 62.0	n/m

(1) Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended December 31, 2023. These allocations will be provided on an ongoing basis, but they have not been calculated for previously reported periods.

(in millions)	Three Months Ended December 31, 2023	2022	% Change
Operating revenues (in millions):			
Listed derivatives	$ 49.8	$ 46.0	8%
Securities	293.6	213.0	38%
FX contracts	8.0	9.2	(13)%
Interest / fees earned on client balances	60.5	59.3	2%
Other	23.8	16.0	49%
	$ 435.7	$ 343.5	27%
Select data (all $ amounts are U.S. dollar or U.S. dollar equivalents):			
Listed derivatives (contracts, 000's)	41,236	32,312	28%
Listed derivatives, average rate per contract [1]	$ 1.12	$ 1.27	(12)%
Average client equity - listed derivatives (millions)	$ 4,470	$ 6,086	(27)%
Securities ADV (millions)	$ 6,224	$ 4,231	47%
Securities RPM [2]	$ 295	$ 422	(30)%
Average money market / FDIC sweep client balances (millions)	$ 1,060	$ 1,535	(31)%
FX contracts ADV (millions)	$ 3,970	$ 4,868	(18)%
FX contracts RPM	$ 34	$ 30	13%

(1) Give-up fee revenues, related to contract execution for clients of other FCMs, are excluded from the calculation of listed derivatives, average rate per contract.

(2) Interest expense associated with our fixed income activities is deducted from operating revenues in the calculation of Securities RPM, while interest income related to securities lending is excluded.

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Operating revenues increased $92.2 million, or 27%, to $435.7 million in the three months ended December 31, 2023 compared to $343.5 million in the three months ended December 31, 2022. Net operating revenues increased $5.4 million, or 4%, to $148.6 million in the three months ended December 31, 2023 compared to $143.2 million in the three months ended December 31, 2022.

Operating revenues derived from listed derivatives increased $3.8 million, or 8%, to $49.8 million in the three months ended December 31, 2023 compared to $46.0 million in the three months ended December 31, 2022, principally due to a 28% increase in listed derivative contract volumes, partially offset by a 12% decline in the average rate per contract.

Operating revenues derived from securities transactions increased $80.6 million, or 38%, to $293.6 million in the three months ended December 31, 2023 compared to $213.0 million in the three months ended December 31, 2022. The ADV of securities traded increased 47%, principally driven by increased client activity in both equity and fixed income markets. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. As a result, interest expense associated with our fixed income activities is deducted from operating revenues in the calculation of securities RPM in the table above. The securities RPM decreased 30% in the three months ended December 31, 2023 compared to the three months ended December 31, 2022, principally due to a tightening of spreads and a change in product mix.

Operating revenues derived from FX contracts declined $1.2 million, or 13%, to $8.0 million in the three months ended December 31, 2023 compared to $9.2 million in the three months ended December 31, 2022, principally due to an 18% decline in the ADV of FX contracts, partially offset by a 13% increase in the FX contract RPM.

Interest and fee income earned on client balances, which is associated with our listed derivative and correspondent clearing businesses increased $1.2 million, to $60.5 million in the three months ended December 31, 2023, with an increase in short-term interest rates more than offsetting 27% and 31% declines in average client equity and average money market / FDIC sweep client balances, respectively, compared to the three months ended December 31, 2022.

As a result of the increase in short-term interest rates and the increase in ADV, interest expense increased $81.8 million, to $226.5 million in the three months ended December 31, 2023 compared to $144.7 million in the three months ended December 31, 2022, with interest expense directly associated with serving as an institutional dealer in fixed income securities increasing $75.8 million. Interest paid to clients decreased $1.4 million, and interest expense directly attributable to securities lending activities increased $6.7 million compared to the three months ended December 31, 2022.

Variable expenses, excluding interest, expressed as a percentage of operating revenues declined to 25% in the three months ended December 31, 2023 compared to 30% in the three months ended December 31, 2022, primarily as the result of the increase in interest income.

Segment income increased $3.2 million, or 5%, to $65.2 million in the three months ended December 31, 2023 compared to $62.0 million in the three months ended December 31, 2022, principally due to the increase in net operating revenues noted above, which was partially offset by a $2.4 million increase in non-variable direct expenses, including a $3.7 million increase in fixed compensation and benefits, which was partially offset by a $1.1 million decline in professional fees compared to the three months ended December 31, 2022.

For the three months ended December 31, 2023, we have calculated an allocation for overhead costs of $12.8 million for the Institutional segment as described in the introduction to *Total Segment Results* above*.* An allocation of overhead costs will be provided on an ongoing basis. We have not calculated historical comparable information.

Retail

We provide our retail clients around the world access to over 18,000 global financial markets, including spot foreign exchange ("forex"), both financial trading and physical investment in precious metals, as well as contracts for difference (“CFDs”), which are investment products with returns linked to the performance of underlying assets. In addition, our independent wealth management business offers a comprehensive product suite to retail investors in the U.S.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Retail segment, for the periods indicated.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Revenues:			
Sales of physical commodities	$ 11.4	$ 254.0	(96)%
Principal gains, net	55.6	31.8	75%
Commission and clearing fees	11.2	10.7	5%
Consulting, management and account fees	14.1	14.9	(5)%
Interest income	9.4	4.8	96%
Total revenues	101.7	316.2	(68)%
Cost of sales of physical commodities	9.2	245.7	(96)%
Operating revenues	92.5	70.5	31%
Transaction-based clearing expenses	3.5	5.3	(34)%
Introducing broker commissions	20.4	20.2	1%
Interest expense	1.6	1.1	45%
Net operating revenues	67.0	43.9	53%
Variable direct compensation and benefits	4.4	4.7	(6)%
Net contribution	62.6	39.2	60%
Fixed compensation and benefits	10.3	13.2	(22)%
Other fixed expenses	23.5	29.9	(21)%
Bad debts, net of recoveries	0.1	0.3	(67)%
Non-variable direct expenses	33.9	43.4	(22)%
Segment income (loss)	28.7	(4.2)	n/m
Allocation of overhead costs (1)	11.5	—	n/m
Segment income (loss), less allocation of overhead costs	$ 17.2	$ (4.2)	n/m

(1) Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended December 31, 2023. These allocations will be provided on an ongoing basis, but they have not been calculated for previously reported periods.

(in millions)	Three Months Ended December 31, 2023		2022	% Change
Operating revenues (in millions):				
Securities	$ 22.6		$ 21.1	7%
FX / CFD contracts	66.6		39.6	68%
Physical contracts	0.8		6.0	(87)%
Interest / fees earned on client balances	0.7		0.8	(13)%
Other	1.8		3.0	(40)%
	$ 92.5		$ 70.5	31%
Select data (all $ amounts are U.S. dollar or U.S. dollar equivalents):				
FX / CFD contracts ADV (millions)	$ 6,948		$ 7,962	(13)%
FX / CFD contracts RPM	$ 151		$ 82	84%

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Operating revenues increased $22.0 million, or 31%, to $92.5 million in the three months ended December 31, 2023 compared to $70.5 million in the three months ended December 31, 2022. Net operating revenues increased $23.1 million, or 53%, to $67.0 million in the three months ended December 31, 2023 compared to $43.9 million in the three months ended December 31, 2022.

Operating revenues derived from FX/CFD contracts increased $27.0 million, or 68%, to $66.6 million in the three months ended December 31, 2023 compared to $39.6 million in the three months ended December 31, 2022 principally due to an 84% increase in FX/CFD contracts RPM, which was partially offset by a 13% decline in FX/CFD contracts ADV compared to the three months ended December 31, 2022.

Operating revenues derived from securities transactions, which relate to our independent wealth management activities, increased $1.5 million to $22.6 million in the three months ended December 31, 2023 compared to $21.1 million in the three months ended December 31, 2022.

Operating revenues derived from physical contracts declined $5.2 million, or 87% to $0.8 million in the three months ended December 31, 2023 compared to $6.0 million in the three months ended December 31, 2022.

Interest and fee income earned on client balances was $0.7 million in the three months ended December 31, 2023 compared to $0.8 million in the three months ended December 31, 2022.

Variable expenses, excluding interest, as a percentage of operating revenues were 31% in the three months ended December 31, 2023 compared to 43% in the three months ended December 31, 2022, principally due to the increase in operating revenues derived from FX / CFD contracts which typically incur a lower relative percentage of variable expenses than do our other business lines.

Segment income increased $32.9 million to segment income of $28.7 million in the three months ended December 31, 2023 compared to a segment loss of $4.2 million in the three months ended December 31, 2022, principally due to the increase in net operating revenues noted above as well as a $9.5 million decline in non-variable direct expenses compared to the three months ended December 31, 2022. The decline in non-variable direct expenses was primarily a result of a $2.9 million decline in fixed compensation and benefits, a $2.3 million decline in selling and marketing and a $2.7 million decline in depreciation and amortization compared to the three months ended December 31, 2022.

For the three months ended December 31, 2023, we have calculated an allocation for overhead costs of $11.5 million for the Retail segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis, but we have not calculated historical comparable information.

Payments

We provide customized foreign exchange and treasury services to banks and commercial businesses, charities, non-governmental organizations, as well as government organizations. We provide transparent pricing and offer payments services in more than 180 countries and 140 currencies, which we believe is more than any other payments solutions provider.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Payments segment for the periods indicated.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Revenues:			
Sales of physical commodities	$ —	$ —	—%
Principal gains, net	57.5	52.6	9%
Commission and clearing fees	1.5	1.6	(6)%
Consulting, management, account fees	0.9	1.0	(10)%
Interest income	0.7	0.2	250%
Total revenues	60.6	55.4	9%
Cost of sales of physical commodities	—	—	—%
Operating revenues	60.6	55.4	9%
Transaction-based clearing expenses	1.8	1.6	13%
Introducing broker commissions	0.6	0.5	20%
Interest expense	—	—	—%
Net operating revenues	58.2	53.3	9%
Variable compensation and benefits	10.6	11.2	(5)%
Net contribution	47.6	42.1	13%
Fixed compensation and benefits	7.3	5.5	33%
Other fixed expenses	5.2	4.3	21%
Bad debts	0.1	—	n/m
Total non-variable direct expenses	12.6	9.8	29%
Segment income	35.0	32.3	8%
Allocation of overhead costs [(1)]	5.1	—	n/m
Segment income, less allocation of overhead costs	$ 29.9	$ 32.3	n/m

(1) Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended December 31, 2023. These allocations will be provided on an ongoing basis, but they have not been calculated for previously reported periods.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Operating revenues (in millions):			
Payments	$ 59.4	$ 54.2	10%
Other	1.2	1.2	—%
	$ 60.6	$ 55.4	9%
Select data (all $ amounts are U.S. dollar or U.S. dollar equivalents):			
Payments ADV (millions)	$ 75	$ 75	—%
Payments RPM	$ 12,557	$ 11,431	10%

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

Operating revenues increased $5.2 million, or 9%, to $60.6 million in the three months ended December 31, 2023 compared to $55.4 million in the three months ended December 31, 2022. Net operating revenues increased $4.9 million, or 9%, to $58.2 million in the three months ended December 31, 2023 compared to $53.3 million in the three months ended December 31, 2022.

The increase in operating revenues was principally due to a 10% increase in the RPM, primarily as a result of an increase in capital transactions from our financial institution clients, while the average daily notional payment volume was flat compared to the three months ended December 31, 2022.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 21% in the three months ended December 31, 2023 compared to 24% in the three months ended December 31, 2022, principally driven by a decline in variable compensation and benefits.

Segment income increased $2.7 million, or 8%, to $35.0 million in the three months ended December 31, 2023 compared to $32.3 million in the three months ended December 31, 2022. This increase was primarily as result of the increase in net operating revenues noted above, which was partially offset by a $2.8 million increase in non-variable direct expenses. The increase in non-variable direct expenses was primarily driven by a $1.8 million increase in fixed compensation and benefits and a $0.5 million increase in depreciation and amortization compared to the three months ended December 31, 2022.

For the three months ended December 31, 2023, we have calculated an allocation for overhead costs of $5.1 million for the Payments segment as described in the introduction to *Total Segment Results* above. An allocation of overhead costs will be provided on an ongoing basis. We have not calculated historical comparable information.

Overhead Costs and Expenses

We incur overhead costs and expenses, including certain shared services such as information technology, accounting and treasury, credit and risk, legal and compliance, and human resources and other activities. The following table provides information regarding overhead costs and expenses.

In addition, for the three months ended December 31, 2023, the table provides information regarding the allocation of a portion of these costs to the aforementioned operating segments. The allocation of overhead costs to operating segments includes costs associated with compliance, technology, and credit and risk costs. The share of allocated costs is based on resources consumed by the relevant businesses. In addition, the allocation of human resources and occupancy costs is principally based on employee costs within the relevant businesses.

	Three Months Ended December 31,		
(in millions)	**2023**	**2022**	**% Change**
Compensation and benefits:			
Variable compensation and benefits	$ 19.4	$ 15.5	25%
Fixed compensation and benefits	40.6	29.9	36%
	60.0	45.4	32%
Other expenses:			
Occupancy and equipment rental	7.3	8.8	(17)%
Non-trading technology and support	13.0	9.6	35%
Professional fees	7.5	7.8	(4)%
Depreciation and amortization	5.5	5.7	(4)%
Communications	1.6	1.6	—%
Selling and marketing	1.3	0.9	44%
Trading systems and market information	1.7	2.1	(19)%
Travel and business development	1.7	1.6	6%
Other	5.2	6.2	(16)%
	44.8	44.3	1%
Overhead costs and expenses	104.8	89.7	17%
Allocation of overhead costs [1]	(38.2)	—	n/m
Overhead costs and expense, net of allocation to operating segments	$ 66.6	$ 89.7	n/m

(1) Includes an allocation of certain overhead costs to our operating segments as noted above for the three months ended December 31, 2023. The allocations will be provided on an ongoing basis, but they have not been calculated for previously reported periods.

Three Months Ended December 31, 2023 Compared to Three Months Ended December 31, 2022

On a gross basis, overhead costs and other expenses increased $15.1 million, or 17%, to $104.8 million in the three months ended December 31, 2023 compared to $89.7 million in the three months ended December 31, 2022. Compensation and benefits increased $14.6 million, or 32%, to $60.0 million in the three months ended December 31, 2023 compared to $45.4 million in the three months ended December 31, 2022.

The increase in variable and non-variable compensation was partially related to the move of certain client engagement teams out of discrete business lines and into shared services, resulting in increased compensation expense in overhead, and lower compensation expense in the discrete business lines, which were offset with a non-variable charge. Additionally, the increase in non-variable compensation was partially a result of hiring among our compliance and IT departments, principally due to company growth. Average administrative headcount increased 21% in the three months ended December 31, 2023 compared to the three months ended December 31, 2022.

Gross other non-compensation expenses increased modestly to $44.8 million in the three months ended December 31, 2023. Most notably, occupancy and equipment rental costs were lower principally due to a partial refund of property tax and related expenses covering prior years in London, while non-trading technology maintenance and support, for the various systems used by the support services departments increased.

Liquidity, Financial Condition and Capital Resources

Overview

Liquidity is our ability to generate sufficient funding to meet all of our cash needs. Liquidity is of critical importance to us and imperative to maintaining our operations on a daily basis. Senior management establishes liquidity and capital policies, which we monitor and review for funding from both internal and external sources. We continuously evaluate how effectively our policies support our business operations, issuing debt and equity securities, and accessing committed credit facilities. We plan to finance our future operating liquidity and regulatory capital needs in a manner consistent with our past practice. Liquidity and capital matters are reported regularly to our Board of Directors.

Regulatory

StoneX Financial Inc. is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of both the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). In addition, StoneX Financial Inc. is registered as a futures commission merchant with the CFTC and NFA, and a member of various commodities and futures exchanges in the U.S. and abroad. StoneX Financial Inc. has a responsibility to meet margin calls at all exchanges on a daily basis, and even on an intra-day basis, if deemed necessary by relevant regulators or exchanges. We require our clients to make margin deposits the next business day, and we require our largest clients to make intra-day margin payments during periods of significant price movement. Margin required to be posted to the exchanges is a function of our clients' net open positions and required margin per contract. StoneX Financial Inc. is subject to minimum capital requirements under Section 4(f)(b) of the Commodity Exchange Act, Part 1.17 of the rules and regulations of the CFTC and the SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934. StoneX Financial Inc. is also subject to the Rule 15c3-3 of the Securities Exchange Act of 1934, as amended ("Customer Protection Rule").

Gain Capital Group, LLC is registered as both a futures commission merchant and registered foreign exchange dealer, subject to minimum capital requirements under Section 4(f)(b) of the Commodity Exchange Act, Part 1.17 of the rules and regulations of the CFTC and NFA Financial Requirements, Sections 1 and 11.

StoneX Markets LLC is a CFTC registered swap dealer, whose business is overseen by the NFA. The CFTC imposes rules over net capital requirements, as well as the exchange of initial margin between registered swap dealers and certain counterparties.

These rules specify the minimum amount of capital that must be available to support our clients' account balances and open trading positions, including the amount of assets that StoneX Financial Inc., Gain Capital Group, LLC and StoneX Markets LLC must maintain in relatively liquid form. Further, the rules are designed to maintain general financial integrity and liquidity.

StoneX Financial Ltd is regulated by the Financial Conduct Authority ("FCA"), the regulator of investment firms in the U.K. as a MiFID investment firm under U.K. law, and is subject to regulations which impose regulatory capital requirements. In Europe, our regulated subsidiaries are subject to E.U. regulation. Across the U.K. and E.U., the respective transpositions of the Market Abuse Regulation, and the General Data Protection Regulation, also apply. StoneX Financial Ltd is a member of various commodities and futures exchanges in the U.K. and Europe and has the responsibility to meet margin calls at all exchanges on a daily basis and intra-day basis, as necessary. StoneX Financial Ltd is required to be compliant with the U.K.'s 'MIFIDPRU' regulation. To comply with these standards, we have implemented daily liquidity procedures, conduct periodic reviews of liquidity by stressed scenarios, and are required to maintain enough liquidity for the firm to survive for one year under the appropriate stressed conditions.

The regulations discussed above limit funds available for dividends to us. As a result, we may be unable to access our operating subsidiaries' funds when we need them.

StoneX Financial Pte. Ltd. is regulated by the Monetary Authority of Singapore ("MAS") and operates as an approved holder of a Capital Market Services and a Payments Service License. StoneX Financial Pte. Ltd. is subject to the requirements of MAS pursuant to the Securities and Futures Act and the Payments Services Act 2019. The regulations include those that govern the treatment of client money and other assets which under certain circumstances must be segregated from the firm's own assets.

In our physical commodities trading, commercial hedging OTC, securities and foreign exchange trading activities, we may be required upon to meet margin calls with our various trading counterparties based upon the underlying open transactions we have in place with those counterparties.

We continuously review our overall credit and capital needs to determine whether our capital base, both stockholders' equity and debt, as well as available credit facilities can appropriately support the anticipated financing needs of our operating subsidiaries.

As of December 31, 2023, we had total equity of $1,482.8 million, outstanding loans under revolving credit facilities and other payables to lenders of $418.5 million, and $342.9 million outstanding on our senior secured notes, net of deferred financing costs.

A substantial portion of our assets are liquid. As of December 31, 2023, approximately 97% of our assets consisted of cash; securities purchased under agreements to resell; securities borrowed; deposits with and receivables from exchange-clearing organizations, broker-dealers, clearing organizations and counterparties; client receivables; marketable financial instruments and investments; and physical commodities inventory. All assets that are not client and counterparty deposit financed are financed by our equity capital, bank loans, short-term borrowings from financial instruments sold, not yet purchased and under repurchase agreements, securities loaned and other payables.

Client and Counterparty Credit and Liquidity Risk

Our operations expose us to credit risk of default of our clients and counterparties. The risk includes liquidity risk to the extent our clients or counterparties are unable to make timely payment of margin or other credit support. We are indirectly exposed to the financing and liquidity risks of our clients and counterparties, including the risks that our clients and counterparties may not be able to finance their operations.

As a clearing broker, we act on behalf of our clients for all trades consummated on exchanges. We must pay initial and variation margin to the exchanges, on a net basis, before we receive the required payments from our clients. Accordingly, we are responsible for our clients' obligations with respect to these transactions, which exposes us to significant credit risk. Our clients are required to make any margin deposits the next business day, and we require our largest clients to make intra-day margin payments during periods of significant price movement. Our clients are obligated to maintain initial margin requirements at the level set by the respective exchanges, but we have the ability to increase margin requirements for clients based on their open positions, trading activity, or market conditions.

As it relates to OTC derivative transactions, we act as a principal, which exposes us to the credit risk of both our clients and the counterparties with which we offset our client positions. As with exchange-traded transactions, our OTC transactions require that we meet initial and variation margin payments on behalf of our clients before we receive related required payments from our clients. OTC clients are required to post sufficient collateral to meet margin requirements based on value-at-risk models, as well as variation margin requirements based on the price movement of the commodity or security in which they transact. Our clients are required to make any margin deposits the next business day, and we may require our largest clients to make intra-day margin payments during periods of significant price movement. In this business as well, we have the ability to increase the margin requirements for clients based on their open positions, trading activity, or market conditions. On a limited basis, we provide credit thresholds to certain clients, based on internal evaluations and monitoring of client creditworthiness.

In addition, with OTC transactions, we are at risk that a counterparty will fail to meet its obligations to us when due. We would then be exposed to the risk that the settlement of a transaction which is due a client will not be collected from the respective counterparty with which the transaction was offset. We continuously monitor the credit quality of our respective counterparties and mark our positions held with each counterparty to market on a daily basis.

We enter into securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned transactions to, among other things, finance financial instruments, acquire securities to cover short positions, acquire securities for settlement, and to accommodate counterparties' needs. In connection with these agreements and transactions, it is our policy to receive or pledge cash or securities to adequately collateralize such agreements and transactions in accordance with general industry guidelines and practices. The collateral is valued daily and we may require counterparties to deposit additional collateral or return collateral pledged, when appropriate.

Primary Sources and Uses of Cash

Our cash and cash equivalents and client cash and securities held for clients are held at banks, deposits at liquidity providers, investments in money market funds that invest in highly liquid investment grade securities including U.S. treasury bills, as well as investments in U.S. treasury bills. In general, we believe all of our investments and deposits are of high credit quality and we have more than adequate liquidity to conduct our businesses.

Our assets and liabilities may vary significantly from period to period due to changing client requirements, economic and market conditions, and our growth. Our total assets as of December 31, 2023 and September 30, 2023, were $23.2 billion and $21.9 billion, respectively. Our operating activities generate or utilize cash as a result of net income or loss earned or incurred during each period and fluctuations in our assets and liabilities. The most significant fluctuations arise from changes in the level of client activity, commodities prices, and changes in the balances of financial instruments and commodities inventory. StoneX Financial Inc. and StoneX Financial Ltd occasionally utilize their margin line credit facilities, on a short-term basis, to meet intraday settlements with the commodity exchanges prior to collecting margin funds from their clients.

The majority of the assets of StoneX Financial Inc., StoneX Financial Ltd, StoneX Financial Pte. Ltd, StoneX Markets LLC, and Gain Capital Group, LLC are restricted from being transferred to us or other affiliates due to specific regulatory requirements. This restriction has no current impact on our ability to meet our cash obligations, and no such impact is expected in the future.

We have liquidity and funding policies and processes in place that are intended to maintain sufficient flexibility to address both company-specific and industry liquidity needs. The majority of our excess funds is held with high-quality institutions, under highly-liquid reverse repurchase agreements, U.S. government obligations, interest earning cash deposits and AA-rated money market investments.

We do not intend to distribute earnings of our foreign subsidiaries in a taxable manner, and therefore intend to limit distributions to earnings previously taxed in the U.S., or earnings that would qualify for the 100 percent dividends received deduction, and earnings that would not result in any significant foreign taxes. We repatriated $28.0 million and $11.4 million for the three months ended December 31, 2023 and 2022, respectively, of earnings previously taxed in the U.S., resulting in no significant incremental taxes. Therefore, the Company has not recognized a deferred tax liability on its investment in foreign subsidiaries.

Senior Secured Notes

In June 2020, we issued $350.0 million in aggregate principal amount of our 8.625% Senior Secured Notes due 2025 (the “Notes”) at the offering price of 98.5% of the aggregate principal amount. The Senior Secured Notes are fully and unconditionally guaranteed, jointly and severally, on a senior second lien secured basis, by certain subsidiaries of the Company that guarantee the Company’s senior committed credit facility and certain of its domestic subsidiaries.

The Notes will mature on June 15, 2025. Interest on the Notes accrues at a rate of 8.625% per annum and is payable semiannually in arrears on June 15 and December 15 of each year. We incurred debt issuance costs of $9.5 million in connection with the issuance of the Notes, which are being amortized over the term of the Notes under the effective interest method. We have had the right, since June 15, 2022, to redeem the Notes, in whole or in part, at the redemption prices set forth in the indenture.

Committed Credit Facilities

As of December 31, 2023, we had five committed bank credit facilities, totaling $1,200.0 million, of which $344.0 million was outstanding. Additional information regarding the committed bank credit facilities can be found in Note 9 of the Condensed Consolidated Financial Statements. The credit facilities include:

- A first-lien senior secured syndicated loan facility principally committed until April 21, 2026, under which $500.0 million is available to us for general working capital requirements and capital expenditures. The maturity date is April 21, 2025 for one lender representing $42.5 million of the facility commitment.
- An unsecured line of credit committed until October 29, 2024, under which $190.0 million is available to our wholly owned subsidiary, StoneX Financial Inc. to provide short-term funding of margin to commodity exchanges as necessary.
- A syndicated borrowing facility committed until July 28, 2024, under which $400.0 million is available to our wholly owned subsidiary, StoneX Commodity Solutions LLC, to finance commodity financing arrangements and commodity repurchase agreements.
- An unsecured syndicated loan facility committed until October 12, 2024, under which our subsidiary, StoneX Financial Ltd is entitled to borrow up to $100.0 million, subject to certain terms and conditions of the credit agreement. This facility is intended to provide short-term funding of margin to commodity exchanges as necessary.
- An unsecured revolving credit facility committed until September 6, 2024, under which $10.0 million is available to our wholly owned subsidiary, StoneX Financial Pte. Ltd. for general working capital requirements.

Our facility agreements contain certain financial covenants relating to financial measures on a consolidated basis, as well as on a stand-alone basis for certain subsidiaries, including minimum tangible net worth, minimum regulatory capital, minimum net unencumbered liquid assets, maximum net loss, minimum fixed charge coverage ratio and maximum funded debt to net worth ratio. Failure to comply with any such covenants could result in the debt becoming payable on demand. As of December 31, 2023, we and our subsidiaries were in compliance with all of our financial covenants under the outstanding facilities.

In accordance with required disclosure as part of our first-lien senior secured syndicated loan facility, during the trailing twelve months ended December 31, 2023, interest expense directly attributable to trading activities includes $632.5 million in connection with trading activities conducted as an institutional dealer in fixed income securities, and $46.1 million in connection with securities lending activities.

As reflected above, certain of our committed credit facilities are scheduled to expire during the next twelve months following the quarterly period ended December 31, 2023. We intend to renew or replace these facilities as they expire, and based on our liquidity position and capital structure, we believe we will be able to do so.

Uncommitted Credit Facilities

We have access to certain uncommitted financing agreements that support our ordinary course securities and commodities inventories. The agreements are subject to certain borrowing terms and conditions. As of December 31, 2023 and September 30, 2023, the Company had $67.1 million and $55.5 million total borrowings outstanding under these uncommitted credit facilities, respectively.

Other Capital Considerations

Our activities are subject to various significant governmental regulations and capital adequacy requirements, both in the U.S. and in the international jurisdictions in which we operate. Our subsidiaries are in compliance with all of their capital regulatory requirements as of December 31, 2023. Additional information on our subsidiaries subject to significant net capital and minimum net capital requirements can be found in Note 16 of the Condensed Consolidated Financial Statements.

Our subsidiary, StoneX Markets LLC, is a CFTC registered swap dealer, and under these capital rules is subject to a minimum regulatory capital requirement. StoneX Markets LLC has elected to utilize the “bank-based” approach, as reflected in CFTC Rule 23.101(a)(1)(i) to calculate its capital requirements. Under the “bank-based” approach StoneX Markets LLC must satisfy the following capital requirements: Common Equity Tier 1 (“CET1”) capital of at least $20 million; (ii) CET1 equal to at least 6.5% of its risk weighted assets (“RWA”); (iii) CET1, Additional Tier 1, and Tier 2 (collectively, total aggregate Bank Holding Company (“BHC”) capital) equal to at least 8% of its RWA; (iv) total aggregate BHC capital equal to 8% of its uncleared swap margin; and (v) the minimum capital required by NFA. Aggregate BHC capital and the related net capital requirement may fluctuate on a daily basis.

Compliance with this or other swap-related regulatory capital requirements may require us to devote more capital to these businesses or otherwise restructure our operations, such as by combining these businesses with other regulated subsidiaries that must also satisfy regulatory capital requirements. StoneX Markets LLC has faced, and may continue to face, increased costs due to the registration and regulatory requirements listed above, as may any other of our subsidiaries that may be required to register, or may register voluntarily, as a swap dealer and/or swap execution facility.

Cash Flows

We include client cash and securities that meet the short-term requirement for cash classification to be segregated for regulatory purposes in our Condensed Consolidated Statements of Cash Flows. We hold a significant amount of U.S. Treasury obligations, which represent investments of client funds or client-owned investments pledged in lieu of cash margin. U.S. Treasury securities held with third-party banks or pledged with exchange-clearing organizations representing investments of client funds or which are held for particular clients in lieu of cash margin are included in the beginning and ending cash balances reconciled on our Condensed Consolidated Statements of Cash Flows to the extent that they have an original or acquired maturity of 90 days or less and, therefore, meet the definition of a segregated cash equivalent. Purchases and sales of U.S. Treasury securities representing investment of clients’ funds and U.S. Treasury securities pledged or redeemed by particular clients in lieu of cash margin are presented as operating uses and sources of cash, respectively, within the operating section of the consolidated statements of cash flows if they have an original or acquired maturity of greater than 90 days. Typically, there is an offsetting use or source of cash related to the change in the payables to clients. However, we will report a use of cash in periods where segregated U.S. Treasury securities that meet the aforementioned definition of a segregated cash equivalent mature and are replaced with U.S. Treasury securities that have original or acquired maturities that are greater than 90 days.

Our cash, segregated cash, cash equivalents, and segregated cash equivalents increased by $223.4 million from $6,041.7 million as of September 30, 2023 to $6,265.1 million as of December 31, 2023. During the three months ended December 31, 2023, net cash of $152.4 million was provided by operating activities, $12.7 million was used in investing activities and net cash of $76.9 million was provided by financing activities.

Net cash provided by financing activities during the three months ended December 31, 2023 included significant inflows from payables to lenders under 90 days of $77.5 million, outflows for tax related withholdings, and we received $0.5 million related to employee stock option exercises.

In the broker-dealer and related trading industries, companies report trading activities in the operating section of the statement of cash flows. Due to the daily price volatility in the commodities market, as well as changes in margin requirements, fluctuations in the balances of deposits held at various exchanges, marketable securities and client commodity accounts may occur from day-to-day. A use of cash, as calculated on the consolidated statement of cash flows, includes unrestricted cash transferred and pledged to the exchanges or guaranty funds. These funds are held in interest-bearing deposit accounts at the exchanges, and based on daily exchange requirements, may be withdrawn and returned to unrestricted cash. Additionally, within our unregulated OTC and foreign exchange operations, cash deposits received from clients are reflected as cash provided from operations. Subsequent transfer of these cash deposits to counterparties or exchanges to margin their open positions will be reflected as an operating use of cash to the extent the transfer occurs in a different period than the cash deposit was received.

Unrealized gains and losses on open positions revalued at prevailing foreign currency exchange rates are included in trading revenue but have no direct impact on cash flow from operations. Similarly, gains and losses become realized when client transactions are liquidated, though they do not affect cash flow. To some extent, the amount of net deposits made by our clients in any given period is influenced by the impact of gains and losses on our client balances, such that clients may be required to post additional funds to maintain open positions or may choose to withdraw excess funds on open positions.

We continuously evaluate opportunities to expand our business. Investing activities included $12.7 million in capital expenditures for property and equipment during the three months ended December 31, 2023 compared to $11.3 million during the prior year.

Fluctuations in exchange rates increased our cash, segregated cash, cash equivalents and segregated cash equivalents by $6.8 million.

Apart from what has been disclosed above, there are no known trends, events or uncertainties that have had or are likely to have a material impact on our liquidity, financial condition and capital resources. Based upon our current operations, we believe that cash flows from operations, available cash and available borrowings under our credit facilities will be adequate to meet our future liquidity needs for the following year.

Commitments

Information about our commitments and contingent liabilities is contained in Note 11 of the Condensed Consolidated Financial Statements.

Off Balance Sheet Arrangements

We are party to certain financial instruments with off-balance sheet risk in the normal course of business as a registered securities broker-dealer, futures commission merchant, U.K. based financial services firm, provisionally registered swap dealer and from our market-making and proprietary trading in the foreign exchange and commodities and debt securities markets. These financial instruments include futures, forward and foreign exchange contracts, exchange-traded and OTC options, To Be Announced ("TBA") securities and interest rate swaps. Derivative financial instruments involve varying degrees of off-balance sheet market risk whereby changes in the fair values of underlying financial instruments may result in changes in the fair value of the financial instruments in excess of the amounts reflected in the Condensed Consolidated Balance Sheets. Exposure to market risk is influenced by a number of factors, including the relationships between the financial instruments and our positions, as well as the volatility and liquidity in the markets in which the financial instruments are traded. The principal risk components of financial instruments include, among other things, interest rate volatility, the duration of the underlying instruments and changes in commodity pricing and foreign exchange rates. We attempt to manage our exposure to market risk through various techniques. Aggregate market limits have been established and market risk measures are routinely monitored against these limits. Derivative contracts are traded along with cash transactions because of the integrated nature of the markets for such products. We manage the risks associated with derivatives on an aggregate basis along with the risks associated with our proprietary trading and market-making activities in cash instruments as part of our firm-wide risk management policies.

A significant portion of these instruments are primarily the execution of orders for commodity futures and options on futures contracts on behalf of our clients, substantially all of which are transacted on a margin basis. Such transactions may expose us to significant credit risk in the event margin requirements are not sufficient to fully cover losses which clients may incur. We control the risks associated with these transactions by requiring clients to maintain margin deposits in compliance with both clearing organization requirements and internal guidelines. We monitor required margin levels daily and, therefore, may require clients to deposit additional collateral or reduce positions when necessary. We also establish contract limits for clients, which are monitored daily. We evaluate each client's creditworthiness on a case-by-case basis. Clearing, financing, and settlement activities may require us to maintain funds with or pledge securities as collateral with other financial institutions. Generally, these exposures to exchanges are subject to netting of open positions and collateral, while exposures to clients are subject to netting, per the terms of the client agreements, which reduce the exposure to us by permitting receivables and payables with such clients to be offset in the event of a client default. Management believes that the margin deposits held as of December 31, 2023 are adequate to minimize the risk of material loss that could be created by positions held at that time. Additionally, we monitor collateral fair value on a daily basis and adjust collateral levels in the event of excess market exposure. Generally, these exposures to both counterparties and clients are subject to master netting agreements and the terms of the client agreements, which reduce our exposure.

As a broker-dealer in U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations, we are engaged in various securities trading, borrowing and lending activities serving solely institutional counterparties. Our exposure to credit risk associated with the nonperformance of counterparties in fulfilling their contractual obligations pursuant to these securities transactions and market risk associated with the sale of securities not yet purchased can be directly impacted by volatile trading markets which may impair their ability to satisfy outstanding obligations to us. In the event of non-performance and unfavorable market price movements, we may be required to purchase or sell financial instruments, which may result in a loss to us.

We transact OTC and foreign exchange contracts with our clients, and our OTC and foreign exchange trade desks will generally offset the client's transaction simultaneously with one of our trading counterparties or will offset that transaction with a similar, but not identical, position on the exchange. These unmatched transactions are intended to be short-term in nature and are conducted to facilitate the most effective transaction for our client.

Additionally, we hold options and futures on options contracts resulting from market-making and proprietary trading activities in these product lines. We assist clients in our commodities trading business to protect the value of their future production (precious or base metals) by selling them put options on an OTC basis. We also provide our physical commodities trading business clients with sophisticated option products, including combinations of buying and selling puts and calls. We mitigate our risk by effecting offsetting options with market counterparties or through the purchase or sale of exchange-traded commodities futures. The risk mitigation of offsetting options is not within the documented hedging designation requirements of the Derivatives and Hedging Topic of the ASC.

As part of the activities discussed above, we carry short positions. We sell financial instruments that we do not own, borrow the financial instruments to make good delivery, and therefore are obliged to purchase such financial instruments at a future date in order to return the borrowed financial instruments. We record these obligations in the condensed consolidated financial statements as of December 31, 2023 and September 30, 2023, at fair value of the related financial instruments, totaling $2,748.0 million and $3,085.6 million, respectively. These positions are held to offset the risks related to financial assets owned, and reported in our Condensed Consolidated Balance Sheets in *Financial instruments owned, at fair value* and *Physical commodities inventory, net*. We will incur losses if the fair value of the financial instruments sold, not yet purchased, increases subsequent to December 31, 2023, which might be partially or wholly offset by gains in the value of assets held as of December 31, 2023. The totals of $2,748.0 million and $3,085.6 million include a net liability of $245.5 million and $288.3 million for derivative contracts, including those designated as hedges, based on their fair value as of December 31, 2023 and September 30, 2023, respectively.

We do not anticipate non-performance by counterparties in the above situations. We have a policy of reviewing the credit standing of each counterparty with which we conduct business. We have credit guidelines that limit our current and potential credit exposure to any one counterparty. We administer limits, monitor credit exposure, and periodically review the financial soundness of counterparties. We manage the credit exposure relating to our trading activities in various ways, including entering into collateral arrangements and limiting the duration of exposure. Risk is mitigated in certain cases by closing out transactions and entering into risk reducing transactions.

We are a member of various exchanges that trade and clear futures and option contracts. We are also a member of and provide guaranties to securities clearinghouses and exchanges in connection with client trading activities. Associated with our memberships, we may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchanges. While the rules governing different exchange memberships vary, in general our guaranty obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guaranty obligation would be apportioned among the other non-defaulting members of the exchange. Our liability under these arrangements is not quantifiable and could exceed the cash and securities we have posted as collateral at the exchanges. However, management believes that the potential for us to be required to make payments under these arrangements is remote. Accordingly, no contingent liability for these arrangements has been recorded in the Condensed Consolidated Balance Sheets as of December 31, 2023 and September 30, 2023.

Effects of Inflation

Increases in our expenses, such as compensation and benefits, transaction-based clearing expenses, occupancy and equipment rental, may result from inflation, while we may not be readily recoverable from increasing the prices of our services. While rising interest rates are generally favorable for us, to the extent that inflation has other adverse effects on the financial markets and on the value of the financial instruments held in inventory, it may adversely affect our financial position and results of operations.

Critical Accounting Policies

See our critical accounting policies discussed in the Management's Discussion and Analysis of the most recent Annual Report filed on Form 10-K. There have been no material changes to these policies.

Other Accounting Policies

Note 1 to the Consolidated Financial Statements included within the most recent Annual Report filed on Form 10-K includes our significant accounting policies. There have been no material changes to these policies.

Accounting Development Updates

Recently Issued Accounting Pronouncements

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" ("ASU 2021-08"). ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities from acquired contracts using the revenue recognition guidance under Accounting Standards Codification Topic 606, Revenue from Contacts with Customers, in order to recognize contract liabilities in alignment with the definition of performance obligations. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, which means that it will be effective for our fiscal year beginning October 1, 2023. Early adoption is permitted. We do not believe that adoption of ASU 2021-08 will have a significant impact on our financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. ASU 2023-09 is effective for the Company's fiscal year ending September 30, 2026. Early adoption is permitted. The guidance allows for adoption using either a prospective or retrospective transition method. We are currently evaluating the impact that adopting this guidance will have on our disclosures.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"), which will require the Company to disclose segment expenses that are significant and regularly provided to the Company's chief operating decision maker ("CODM"). In addition, ASU 2023-07 will require the Company to disclose the title and position of its CODM and how the CODM uses segment profit or loss information in assessing segment performance and deciding how to allocate resources. ASU 2023-09 is effective for the Company's fiscal year ending September 30, 2026. Early adoption is permitted. The guidance should be applied retrospectively unless impracticable. We are currently evaluating the impact that adopting this guidance will have on our disclosures.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

See also Note 4 to the condensed consolidated financial statements, "Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk".

Market Risk

We conduct our market-making and trading activities predominantly as a principal, which subjects our capital to significant risks. These risks include, but are not limited to, absolute and relative price movements, price volatility and changes in liquidity, over which we have virtually no control. Our exposure to market risk varies in accordance with the volume of client-driven market-making transactions, the size of the proprietary positions and the volatility of the financial instruments traded.

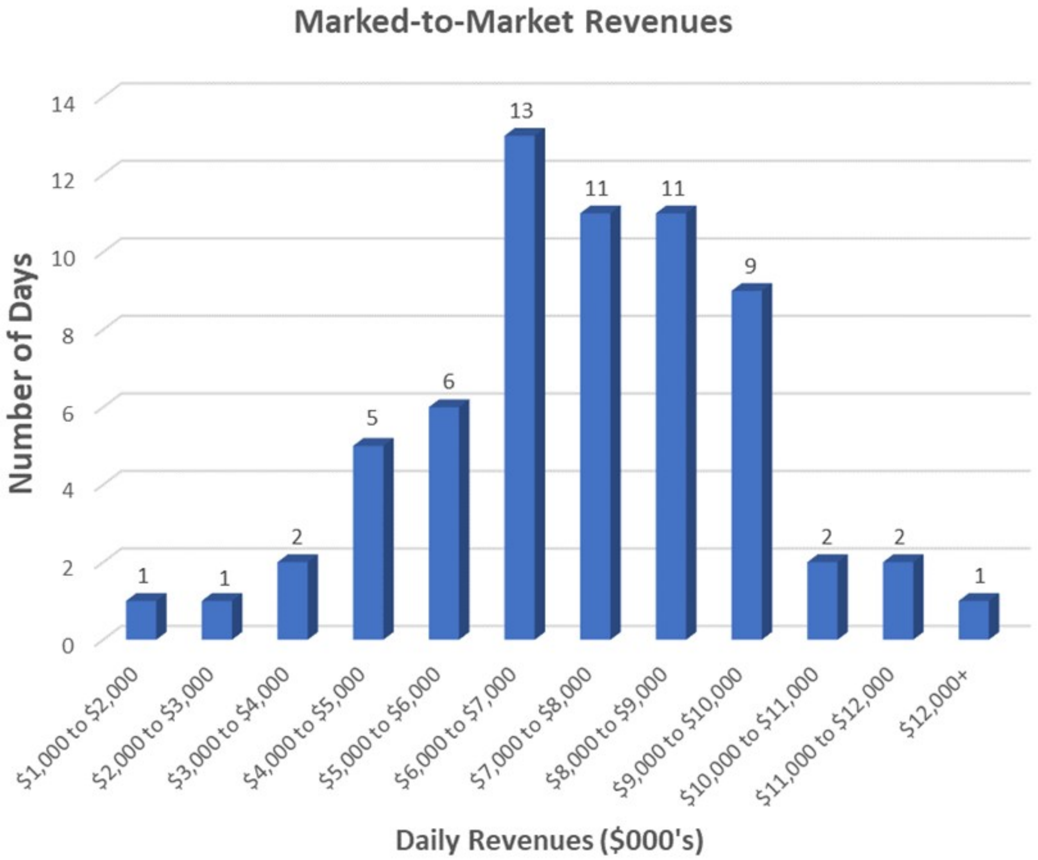
We seek to mitigate exposure to market risk by utilizing a variety of qualitative and quantitative techniques:

- Diversification of business activities and instruments;
- Limitations on positions;
- Allocation of capital and limits based on estimated weighted risks; and
- Daily monitoring of positions and mark-to-market profitability.

We utilize derivative products in a trading capacity as a dealer to satisfy client needs and mitigate risk. We manage risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with our other trading activities.

We are exposed to market risk in connection with our retail trading activities. Because we act as counterparty to our retail clients' transactions, we are exposed to risk on each trade that the value of our position will decline. Accordingly, accurate and efficient management of our net exposure is a high priority, and we have developed policies addressing both our automated and manual procedures to manage our exposure. These risk-management policies and procedures are established and reviewed regularly by the Risk Committee of our Board of Directors. Our risk-management policies require quantitative analyses by instrument, as well as assessment of a range of market inputs, including trade size, dealing rate, client margin and market liquidity. Our risk-management procedures require our team of senior traders to monitor risk exposure on a continuous basis and update senior management both informally over the course of the trading day and formally through intraday and end of day reporting. A key component of our approach to managing market risk is that we do not initiate market positions for our own account in anticipation of future movements in the relative prices of products we offer.

Management believes that the volatility of revenues is a key indicator of the effectiveness of our risk management techniques. The graph below summarizes volatility of our daily revenue, determined on a marked-to-market basis, during the three months ended December 31, 2023.



In our Securities market-making and trading activities, we maintain inventories of equity and debt securities. In our Commercial segment, our positions include physical commodities inventories, precious metals on lease, forwards, futures and options on futures, and OTC derivatives. Our commodity trading activities are managed as one consolidated book for each commodity encompassing both cash positions and derivative instruments. We monitor the aggregate position for each commodity in equivalent physical ounces, metric tons, or other relevant unit.

Interest Rate Risk

In the ordinary course of our operations, we have interest rate risk from the possibility that changes in interest rates will affect the values of financial instruments and impact interest income earned. Within our domestic institutional dealer in fixed income securities business, we maintain a significant amount of trading assets and liabilities which are sensitive to changes in interest rates. These trading activities primarily consist of securities trading in connection with U.S. Treasury, U.S. government agency, agency mortgage-backed and agency asset-backed obligations, as well as investment grade, high-yield, convertible and emerging markets debt securities. Derivative instruments, which consist of futures, TBA securities and forward settling transactions, are used to manage risk exposures in the trading inventory. We enter into TBA securities transactions for the sole purpose of managing risk associated with mortgage-backed securities.

In addition, we generate interest income from the positive spread earned on client deposits. We typically invest in U.S. Treasury bills, notes, and obligations issued by government sponsored entities, reverse repurchase agreements involving U.S. Treasury bills and government obligations or AA-rated money market funds. In some instances, we maintain interest earning cash deposits with banks, clearing organizations and counterparties. We have an investment policy which establishes acceptable standards of credit quality and limits the amount of funds that can be invested within a particular fund, institution, clearing organization or counterparty. We estimate that as of December 31, 2023, an immediate 25 basis point decrease in short-term interest rates would result in approximately $3.8 million less in annual net income.
We manage interest expense using a combination of variable and fixed rate debt. The debt instruments are carried at their unpaid principal balance which approximates fair value. As of December 31, 2023, $418.5 million of outstanding principal debt was variable-rate debt. We are subject to earnings and liquidity risks for changes in the interest rate on this debt. As of December 31, 2023, $348.0 million of outstanding principal debt was fixed-rate long-term debt.

Foreign Currency Risk

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the value of our earnings and assets. Entities that have assets and liabilities denominated in currencies other than the primary economic environment in which the entity operates are subject to remeasurement. Principally, all sales are denominated in the currency of the subsidiary, while related operating costs are denominated in the currency of the local country and translated into USD for consolidated reporting purposes. Although the majority of the assets and liabilities of these subsidiaries are denominated in the functional currency of the subsidiary, they may also hold assets or liabilities denominated in other currencies. As a result, our results of operations and financial position are exposed to changing currency rates. We have executed hedging transactions in relation to certain currencies to mitigate our exposure to volatility in those certain foreign currency exchange rates. From time-to-time, we may consider entering into larger hedges in those certain contracts or hedging transactions in additional currencies to mitigate our exposure to more foreign currency exchange rates. These hedging transactions may not be successful.

Item 4. Controls and Procedures

In connection with the filing of this Form 10-Q, our management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of December 31, 2023. Our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that their objectives were met as of December 31, 2023.

There are limitations inherent in any internal control, such as the possibility of human error and the circumvention or overriding of controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, and may not prevent or detect misstatements. As conditions change over time, so too may the effectiveness of internal controls. As a result, there can be no assurance that a control system will succeed in preventing all possible instances of error and fraud. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the conclusions our Chief Executive Officer and Chief Financial Officer are made at the “reasonable assurance” level.

There were no changes in our internal controls over financial reporting during the quarter ended December 31, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. Legal Proceedings

For information regarding certain legal proceedings to which we are currently a party, see Note 11, “Commitments and Contingencies” in the notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this report, information regarding risks affecting us appears in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2023. These are not the only risks we face. Additional risks and uncertainties not currently known to us or that management currently considers to be non-material may in the future adversely affect our business, financial condition and operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On August 30, 2023, our Board of Directors authorized the repurchase of up to 1.5 million shares of our outstanding common stock from time to time in open market purchases and private transactions, commencing on October 1, 2023 and ending on September 30, 2024. The repurchases are subject to the discretion of the senior management team to implement our stock repurchase plan, and subject to market conditions and as permitted by securities laws and other legal, regulatory and contractual requirements and covenants.

Our common stock repurchase program activity for the three months ended December 31, 2023 was as follows:

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares Remaining to be Purchased Under the Program
October 1, 2023 to October 31, 2023	9,037	$ 62.95	—	1,500,000
November 1, 2023 to November 30, 2023	641	60.92	—	1,500,000
December 1, 2023 to December 31, 2023	6,184	67.21	—	1,500,000
Total	15,862	$ 64.53	—	

[1] The 2022 Omnibus Incentive Compensation Plan allows for "withhold to cover" as a tax payment method for vesting of restricted stock awards. Pursuant to the "withhold to cover" method, we withheld from certain employees shares noted in the table above to cover tax withholding related to the vesting of their awards. For the three months ended December 31, 2023, a total of 15,862 shares were withheld at an average price of $64.53.

Item 5. Other Information

During the three months ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K, except as described below.

Name and Title	Type of Plan	Adoption Date	Duration or End Date	Aggregate Number of Securities to be Sold	Description of Trading Arrangement
Xuong Nguyen - Chief Operating Officer	Rule 10b5-1 trading arrangement	12/4/2023	11/29/2024	60,000	Exercise of stock options and sale of the underlying shares
Sean O'Connor - Chief Executive Officer	Rule 10b5-1 trading arrangement	12/13/2023	12/31/2024	112,500	Sales of shares
Philip Smith - Chief Executive Officer - EMEA	Rule 10b5-1 trading arrangement	12/21/2023	11/8/2024	22,500	Sales of shares
Diego Rotsztain - Chief Governance and Legal Officer	Rule 10b5-1 trading arrangement	12/21/2023	12/31/2024	5,677	Sales of shares

Disclosure Pursuant to Item 5.02 of Current Report on Form 8-K - Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 5, 2023, Scott J. Branch, a member of the Company's board of directors, advised the Company that he would not stand for re-election as a director of the Company at the 2024 annual meeting of stockholders of the Company to be held on February 27, 2024 (the "2024 Annual Meeting"). At the conclusion of Mr. Branch's current term as a director at the 2024 Annual Meeting, he will retire and resign as a director of the Company. Mr. Branch's decision to not stand for re-election was not the result of any disagreement with the Company or its board of directors or management. Disclosure of Mr. Branch's decision to not stand for re-election to the board of directors is being made in this Quarterly Report on Form 10-Q in lieu of disclosure under Item 5.02(b) of Form 8-K.

Item 6. Exhibits

10.1	StoneX Group Inc. 2022 Omnibus Incentive Compensation Plan*
31.1	Certification of Chief Executive Officer, pursuant to Rule 13a—14(a).*
31.2	Certification of Chief Financial Officer, pursuant to Rule 13a—14(a).*
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	*Filed as part of this report.*

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

StoneX Group Inc.

Date: February 6, 2024	/s/ Sean M. O’Connor
	Sean M. O’Connor Chief Executive Officer
Date: February 6, 2024	/s/ William J. Dunaway
	William J. Dunaway Chief Financial Officer

EXHIBIT

StoneX Group Inc.

2022 OMNIBUS INCENTIVE COMPENSATION PLAN

StoneX Group Inc., a Delaware corporation (the "Company"), has previously adopted this StoneX Group Inc. 2022 Omnibus Incentive Compensation Plan (the "Plan"). In 2021, the following plans: (i) the INTL FCStone Inc. 2013 Stock Option Plan, (ii) the INTL FCStone Inc. 2017 Restricted Stock Plan and (iii) the INTL FCStone Inc. 2016 Long-Term Performance Incentive Plan (together, the "Prior Plans") were merged with and into the 2021 Omnibus Incentive Compensation Plan. The Plan supersedes the 2021 Omnibus Incentive Compensation Plan. Outstanding grants under the Prior Plans shall continue in effect according to their terms as in effect at this time (subject to such amendments as the Committee (as defined below) determines, consistent with the Prior Plans, as applicable). Any shares available under the Prior Plans will be cancelled upon the approval of the 2022 Omnibus Incentive Compensation Plan. The Company commits to reduce the Plan share reserve by the number of shares granted under the 2021 Omnibus Incentive Compensation Plan between December 31, 2021 and March 4, 2022 (the "2022 Grants") if the Plan is approved at the Annual Meeting of Shareholders.

The purpose of the Plan is to further align the interests of officers, directors, employees and consultants of StoneX Group Inc. and its subsidiaries with those of the shareholders by providing the opportunity to receive certain incentive compensation opportunities under the Plan. The Company believes that the Plan will encourage the participants to contribute materially to the growth of the Company, thereby benefiting the Company's stockholders, and will align the economic interests of the participants with those of the stockholders. The Plan shall be effective upon its adoption by the Board of Directors of the Company (the "Board") and its approval by the Company's shareholders on the date of the 2022 Annual Meeting of Shareholders (the "Effective Date").

Section 1. Definitions

The following terms shall have the meanings set forth below for purposes of the Plan:

(a) "Cause" shall mean, except to the extent otherwise set forth in a Grant Instrument or an employment or service contract between the Participant and the Employer, a finding by the Committee that the Participant has (i) materially breached his or her employment or service contract with the Employer, or any other written non-competition, non-solicitation, invention assignment or confidentiality agreement between the Participant and the Employer, (ii) engaged in gross negligence (other than as a result of Disability or occurring after the Participant's provision of notice in connection with a resignation for Good Reason) or willful misconduct in carrying out his or her duties, resulting in material injury to the Company, monetarily or otherwise, (iii) materially breached any fiduciary obligations as an officer of the Company, or (iv) been convicted by a court of law of, or entered of a pleading of guilty or *nolo contendere* with respect to, a felony or any other crime for which fraud or dishonesty is a material element, excluding traffic violations.

For purposes of determining Cause, no act or omission by the Grantee shall be considered "willful" unless it is done or omitted in bad faith or without reasonable belief that the Grantee's action or omission was in the best interests of the Company. Any act or failure to act based upon: (a) authority given pursuant to a resolution duly adopted by the Board, or (b) advice of counsel for the Company, shall be conclusively presumed to be done or omitted to be done by the Grantee in good faith and in the best interests of the Company. In addition, as to items (i)-(iii) above, if the action or inaction in question is susceptible of a cure, then no finding of Cause shall occur prior to written notice to the Grantee setting forth in reasonable detail the action or inaction at issue, and the Grantee's failure to cure such condition following a cure period of no less than fifteen (15) days.

(b) "Change of Control" shall mean, except to the extent otherwise set forth in a Grant Instrument, a (i) Change in Ownership of the Company, (ii) Change in Effective Control of the Company, (iii) Change in the Ownership of Assets of the Company, or (iv) a Merger, in the case of each of clauses (i), (ii), (iii) and (iv), as described herein and construed in accordance with Section 409A of the Code, or (v) a liquidation or dissolution of the Company; except that no Change of Control shall be deemed to occur as a result of a change of ownership resulting from the death of a stockholder or a transaction in which the Company becomes a subsidiary of another corporation and in which the stockholders of the Company, immediately prior to the transaction, will beneficially own, immediately after the transaction, shares entitling such stockholders to more than 50% of all votes to which all stockholders of the parent corporation would be entitled in the election of directors (without consideration of the rights of any class of stock to elect directors by a separate class vote).

(i) A "Change in Ownership of the Company" shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire, ownership of the capital stock of the Company that, together with the stock previously held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the capital stock of the Company. However, if any one Person is, or Persons Acting as a Group are, considered to own more than 50% of the total fair market value or total voting power of the capital stock of the Company, the acquisition of additional stock by the same Person or Persons Acting as a Group is not considered to cause a Change in Ownership of the Company or to cause a Change in Effective Control of the Company (as described below). An increase in the percentage of capital stock owned by any one Person, or Persons Acting as a Group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock.

(ii) A "Change in Effective Control of the Company" shall occur if, in any twelve-month period, (A) a Person, or Persons Acting as a Group, acquires ownership of capital stock of the Company possessing 30% or more of the total voting power of the capital stock of the Company, or (B) a majority of the members of the Board are not Continuing Directors. "Continuing Directors" means, as of any date of determination, any member of the Board who (1) was a member of the Board on the Effective Date or (2) was nominated for election, elected or appointed to the Board with the approval of a majority of the Continuing Directors who were members of the Board at the time of such nomination, election or appointment (either by a specific vote or by approval of the Company's proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

(iii) A "Change in the Ownership of Assets of the Company" shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire (or has or have acquired during the twelve-month period ending on the date of the most recent acquisition by such Person or Persons), assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. For this purpose, "gross fair market value" means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(iv) A "Merger" shall occur upon the consummation of a merger, amalgamation or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with such a transaction pursuant to applicable stock exchange requirements; *provided* that, immediately following such transaction, the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger, amalgamation or consolidation or parent entity thereof) 50% or more of the total voting power of the Company's stock (or, if the Company is not the surviving entity of such transaction, 50% or more of the total fair market value or total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further*, that such a transaction effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then-outstanding Company Stock or the combined fair market value or voting power of the Company's then-outstanding voting securities shall not be considered a Change in Control.

(v) The following rules of construction apply in interpreting the definition of Change of Control:

(A) A "Person" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, and the rules and regulations thereunder, other than employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company or an underwriter of the capital stock of the Company in a registered public offering.

(B) Persons will be considered to be "Persons Acting as a Group" (or "Group") if (i) they are considered to be acting as a group within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act and the rules and regulations thereunder or (ii) they are owners of a corporation or other entity that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a Person owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a Group with other shareholders only with respect to the ownership in that corporation before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time or purchase or own stock of the same corporation at the same time, or as a result of the same public offering.

(C) For purposes of the definition of Change of Control, "fair market value" shall be determined by the Board.

(D) A Change of Control shall not include a transfer to a related person as described in Code Section 409A or a public offering of capital stock of the Company.

(E) For purposes of the definition of Change of Control, Code Section 318(a) applies to determine stock ownership. Stock underlying a vested option is considered owned by the individual who holds the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). For purposes of the preceding sentence, however, if a vested option is exercisable for stock that is not substantially vested (as defined by Treas. Reg. § 1.83-3(b) and (j)), the stock underlying the option is not treated as owned by the individual who holds the option.

(c) "Client" shall mean any client or prospective client of the Company to whom the Participant provided services, or for whom the Participant transacted business, or whose identity become known to the Participant in connection with the Participant's relationship with or employ by the Company.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the rules, regulations and Treasury guidance issued thereunder.

(e) "Committee" shall mean the Compensation Committee of the Board or another committee appointed by the Board to administer the Plan.

(f) "Company Stock" shall mean Common Stock, $0.01 par value per share, of the Company.

(g) "Competitive Enterprise" shall mean a business enterprise that (a) engages in any activity, (b) owns or controls a significant interest in or (c) is owned by, or a significant interest in which is owned by or controlled by, any entity that engages in any activity, that, in any case, competes anywhere with any activity in which the Company is engaged.

(h) "Competition" shall mean that the Participant (i) forms, or acquires a 5% or greater equity ownership, voting or profit participation interest in, any Competitive Enterprise, or (ii) associates in any capacity (including, but not limited to, association as an officer, employee, partner, director, consultant, agent or advisor) with any Competitive Enterprise.

(i) "Consultant" shall mean a consultant of the Company or any subsidiary of the Company.

(j) "Director" shall mean a member of the Board or, solely for the purposes of awards of Options, a member of the board of directors of any subsidiary of the Company.

(k) "Disability" or "Disabled" shall have the meaning set forth in Section 409A(a)(2)(C) of the Internal Revenue Code.

(l) "Employed by, or providing service to, the Employer" shall mean employment or service as an Employee, Consultant or Director (so that, for purposes of satisfying conditions with respect to Options, Restricted Stock Awards and LTIP Awards, a Participant shall not be considered to have terminated employment or service until the Participant ceases to be any of an Officer, Director, Employee or Consultant).

(m) "Employee" shall mean an employee of the Employer (including an officer or director who is also an employee), but excluding any person who is classified by the Employer as a "contractor" or "consultant," no matter how characterized by the Internal Revenue Service, other governmental agency or a court. Any change of characterization of an individual by the Internal Revenue Service or any court or government agency shall have no effect upon the classification of an individual as an Employee for purposes of the Plan, unless the Committee determines otherwise.

(n) "Employer" shall mean the Company and each of its subsidiaries.

(o) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules, regulations and applicable guidance issued thereunder.

(p) “Fair Market Value” shall mean (i) if the Company Stock is traded on an established securities market (including the NASDAQ Stock Market), the reported “closing price” on the relevant date, if it is a trading day; otherwise on the immediately preceding trading day; or (ii) if the Company Stock is not traded on an established securities market, the fair market value, as determined by the Board in good faith under a reasonable valuation method, as of the valuation date coinciding with or, if none, most recently preceding the relevant date. Such fair market valuation determination shall be made in a manner consistent with the rules prescribed under Section 409A of the Code, and with respect to Incentive Stock Options, consistent with rules prescribed under Section 422 of the Code.

(q) “Grant” shall mean an Option, Restricted Stock Award or LTIP Award granted under the Plan.

(r) “Grant Instrument” shall mean the written or electronic agreement that sets forth the terms and conditions of a Grant, including all amendments thereto.

(s) “Good Reason” unless otherwise set forth in a Grant Instrument or an employment or service contract between the Participant and the Employer, shall mean (i) a reduction in the Participant’s base salary, other than a reduction at the substantially similar rate to reductions in base salary of all similarly situated employees or (ii) the Employer requiring the Participant’s principal place of employment to be located more than thirty-five (35) miles from the location where the Participant is principally employed as of the Grant Date, unless the new location is closer in distance to the Participant’s primary residence than the existing location.

(t) “Incentive Stock Option” shall mean an Option that is intended to meet the requirements of an incentive stock option under Section 422 of the Code.

(u) “LTIP Award” shall mean a long term incentive performance-based cash grant awarded under the Plan, which may include performance-based interest accrual opportunities.

(v) “Mature Shares” shall mean shares of Company Stock for which the holder thereof has good title, free and clear of all liens and encumbrances, and that such holder either (i) has held for at least six months or (ii) has purchased on the open market.

(w) “Nonqualified Stock Option” shall mean an Option that is not intended to be taxed as an Incentive Stock Option.

(x) “Officer” shall mean a person who is an officer of the Company or any of its subsidiaries within the meaning of Section 16 of the Exchange Act.

(y) “Option” shall mean an option to purchase shares of Company Stock, as described in Section 6, which shall take the form of either an Incentive Stock Option or a Nonqualified Stock Option.

(z) “Participant” shall mean an Officer, Director, Employee or Consultant selected by the Committee to participate in the Plan.

(aa) “Restricted Stock Award” shall mean an award of Company Stock, as described in Section 6.

(bb) “Retirement” shall mean termination of the Participant’s employment or service as a Director (other than for Cause) on or after the date of grant at a time when (a) the sum of the Participant’s age plus years of service with the Company equals or exceeds sixty-five (65) and (b) the Participant has completed at least ten (10) years of service with the Company (with years of service for purposes of (a) and (b) to include service with any predecessor of the Company, unless determined otherwise by the Committee).

(cc) "Solicit" shall mean any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, encouraging or requesting any person or entity, in any manner, to take or refrain from taking an action.

Section 2. Administration

(a) Committee. The Plan shall be administered and interpreted by the Committee. Notwithstanding the foregoing, with respect to awards to Directors, all rights, powers and authorities vested in the Committee under the Plan shall instead be exercised by the Board, and all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to the Board for such purpose.

(b) Committee Authority. Subject to Section 2(a), the Committee shall have the sole authority to (i) determine the individuals to whom Grants shall be made under the Plan, (ii) determine the type, size and terms of the Grants to be made to each such Participant, (iii) determine the time when the Grants will be made, (iv) determine the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (v) amend the terms of any previously issued Grants, subject to the provisions of Section 12 below, (vi) make factual determinations and adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion and (vii) deal with any other matters arising under the Plan. The Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be final, conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to Participants or Grants.

(c) Delegation of Authority. The Committee shall have the right, from time to time, to delegate to one or more Officers the authority of the Committee to grant and determine the terms and conditions of Options and Restricted Stock Awards granted under the Plan, subject to the requirements of Section 157(c) of the Delaware General Corporation Law (or any successor provision) and such other limitations as the Committee shall determine. In no event shall any such delegation of authority be permitted with respect to Grants to any members of the Board or to any Officer. The Committee shall also be permitted to delegate, to any appropriate Officer or Employee, responsibility for performing certain ministerial functions under the Plan. In the event that the Committee's authority is delegated to Officers or Employees in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such Officer or Employee for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

Section 3. Grants

Grants under the Plan may consist of Options as described in Section 5, Restricted Stock Awards as described in Section 6, and LTIP Awards as described in Section 7. All Grants shall be subject to the terms and conditions set forth herein and to such other terms and conditions consistent with the Plan as the Committee deems appropriate and as are specified in writing by the Committee to the individual in the Grant Instrument. All Grants shall be made conditional upon the Participant's acknowledgment, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final, conclusive and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Participants.

Section 4. Shares Subject to the Plan

(a) Shares Authorized. The aggregate number of shares of Company Stock that may be issued or transferred under the Plan (including shares of Company Stock subject to outstanding grants under the Prior Plans) as of the Effective Date shall be 2,350,000 *minus* the number of shares subject to 2022 Grants. Without exceeding the foregoing aggregate limit, the number of shares of Common Stock that may be issued or transferred under Options and the number of shares of Common Stock that may be issued or transferred under all Restricted Stock Awards may be determined by the Committee.

LTIP Awards shall be cashed based awards (with no shares of Common Stock issued or transferred pursuant to any LTIP Awards).

(b) Source of Shares; Share Counting. Common Stock issued and sold under the Plan may be either authorized but unissued shares or shares held in the Company's treasury. To the extent that any Option or Restricted Stock Award involving the issuance of shares of Common Stock, including for this purpose any 2022 Grants, is forfeited, cancelled, returned to the Company for failure to satisfy vesting requirements or other conditions of the Option or Restricted Stock Award, or otherwise terminates without an issuance of shares of Common Stock being made thereunder, the shares of Common Stock covered thereby will no longer be counted against the foregoing maximum share limitations and may again be issued under the Plan pursuant to such limitations. Notwithstanding anything to the contrary contained herein: shares subject to a Grant under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, (c) shares covered by Grants that were not issued upon the settlement of the Grant, or (d) shares purchased on the open market using the cash proceeds from the exercise of an Option.

(c) Adjustments. If, after the Effective Date, there is any change in the number or kind of shares of Company Stock outstanding by reason of (i) a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) a merger, amalgamation, reorganization or consolidation, (iii) a reclassification or change in par value, or (iv) any other extraordinary or unusual event affecting the outstanding Company Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Company Stock is substantially reduced as a result of a spinoff or the Company's payment of an extraordinary dividend or distribution, the maximum number of shares of Company Stock available for issuance under the Plan, the maximum number of shares of Company Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares issued and to be issued under the Plan, the price per share or the applicable market value of such Grants and any applicable performance metrics with respect to outstanding Grants shall be equitably adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, the issued shares of Company Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; *provided*, *however*, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments to outstanding Grants shall be consistent with Section 409A or 424 of the Code, to the extent applicable. The Committee shall have the sole discretion and authority to determine what appropriate adjustments shall be made and any adjustments determined by the Committee shall be final, conclusive and binding.

(d) Minimum Vesting. Notwithstanding anything in the Plan to the contrary, awards granted under the Plan (other than cash-based awards) shall vest no earlier than the first anniversary of the date on which the award is granted; *provided* that the foregoing restriction does not apply to (i) the Committee's discretion to provide for accelerated exercisability or vesting of any awards and (ii) 5% or less of the shares of Common Stock available for issuance under the Plan (as set forth in Section 4(a), as may be adjusted pursuant to Section 4(c)).

(e) Dividends and Dividend Equivalents. Notwithstanding anything in this Plan to the contrary, no dividends or dividend equivalents shall be paid on any award prior to vesting. In the sole discretion of the Committee, an award may provide the Participant with dividends or dividend equivalents, payable in cash, shares of Common Stock, other securities or other property, on a deferred basis; *provided* that such dividends or dividend equivalents shall be subject to the same vesting conditions as the Award to which such dividend equivalents relate.

(f) A Participant who is a non-employee Director may not receive compensation as a non-employee Director for any fiscal year in excess of $750,000 in the aggregate, including cash payments and Awards.

Section 5. Options

(a) Eligible Participants. The Committee may grant Options to an Officer, Director, Employee or Consultant upon such terms as the Committee deems appropriate. In order to be eligible for an Incentive Stock Option, a Director or Consultant must also be a common law employee of the Company as provided in Section 422 of the Code.

(b) Selection of Participants/Number of Shares. The Committee shall select the Officers, Directors, Employees and Consultants to receive Option grants and shall determine the number of shares of Company Stock subject to a particular grant in such matter as the Committee determines.

(c) Limitation on Incentive Stock Options. The aggregate Fair Market Value, determined on the date of grant, of shares of Company Stock with respect to which any Incentive Stock Options under the Plan and all other plans of the Company become exercisable by any individual for the first time in any calendar year shall not exceed $100,000. To the extent that any Option exceeds this limit, it shall be deemed a Nonqualified Stock Option.

(d) Deleted.

(e) Grant Instrument. Subject to the provisions of the Plan, each Option granted to Participant shall be set forth in a Grant Instrument which shall include such terms and conditions as the Board determines, including a vesting schedule. Each such Grant Instrument shall incorporate the provisions of the Plan by reference. The date of the grant of an Option is the date specified in the Grant Instrument. Any Grant Instrument shall clearly identify the corresponding Option as an Incentive Stock Option or Nonqualified Stock Option.

(f) Option Prices. Except as otherwise provided by this Section 5(f), the option price for Shares of Company Stock shall not be less than one hundred percent (100%) of the fair market value of the Stock on the date of the grant of such Option. The option price for any Incentive Stock Option granted to a Participant who possesses more than ten percent (10%) of the total combined voting power of all classes of common stock of the Company shall not be less than one hundred ten percent (110%) of the fair market value of the Stock on the date of the grant of such Option. Any Option that is (1) granted to a Participant in connection with the acquisition, however effected, by the Company of another corporation or entity or the assets thereof, (2) associated with an option to purchase shares of stock or other equity interest of such acquired corporation, entity or an affiliate thereof held by such Participant immediately prior to such acquisition, and (3) intended to preserve for the Participant the economic value of all or a portion of such acquired entity option, may be granted with such exercise price as the Board determines to be necessary to achieve such preservation of economic value. For purposes of this Section 5(f), a Participant's common stock ownership shall be determined by taking into account the rules of constructive ownership set forth in Section 424(d) of the Code.

(g) Term of Options. No Option, including Incentive Stock Options, granted under the Plan may be exercised later than ten (10) years from the date of grant. The term for any Incentive Stock Option granted to a Participant who possesses more than ten percent (10%) of the total combined voting power of all classes of common stock of the Company shall not be more than five (5) years from the date of grant. For purposes of this Section 5(g), a Participant's common stock ownership shall be determined by taking into account the rules of constructive ownership set forth in Section 424(d) of the Code.

(h) Exercise of Option.

(i) Limitation on Exercise of Option. Except as otherwise provided in the Plan, the Board, in its sole discretion, may limit an Option by restricting its exercise in whole or in part to specified vesting periods or until specified conditions have occurred. The vesting periods and any restrictions will be set forth in the Grant Instrument. The Board, in its sole discretion, may accelerate the vesting of any Option at any time.

(ii) Exercise Prior to Cancellation. An Option shall be exercisable only during the term of the Option as long as the Participant remains continuously Employed by or providing service to the Employer or any successor thereof. Notwithstanding the preceding sentence, as long as the Option's term has not expired, and unless otherwise provided in the Grant Instrument, an Option which is otherwise exercisable in accordance with its provisions shall be exercisable:

(A) for a period ending ninety (90) days after the Participant has terminated his or her continuous employment with the Employer, unless the Participant was terminated for Cause by the Employer, in which case the Option shall terminate upon the delivery of the notice of termination of employment; or

(B) for a period ending ninety (90) days after the removal or resignation of the Participant from the Board or the board of directors of any parent entity, subsidiary or any successor thereof on which such Participant has served; or

(C) by the estate of the Participant, within one (1) year after the date of the Participant's death, if the Participant should die while in the continuous employment of the Employer or while serving on the Board of the Company or any parent entity, subsidiary or any successor thereof; or

(D) within one (1) year after the Participant's employment with the Employer terminates, if the Participant becomes disabled during continuous employment with the Company and such Disability is the cause of termination.

(iii) Method of Exercising an Option. Subject to the provisions of any particular Option, including any provisions relating to vesting of the Option, a Participant may exercise the Option, in whole or in part, by any method specified by the Committee in a Grant Agreement or otherwise. In no event may an Option be exercised after the expiration of its term. A Participant is under no obligation to exercise an Option or any part thereof.

(i) Payment for Option Stock. The exercise of any Option shall be contingent upon receipt by the Company of the acceptable form of consideration equal to the full option price of the shares of Company Stock being purchased. The acceptable form of consideration may consist of any combination of (i) cash, (ii) certified bank check, (iii) wire transfer, (iv) subject to the approval of the Board, Mature Shares, (v) pursuant to procedures approved by the Board, (x) through the sale of the shares of Company Stock acquired on exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay the exercise price, together with, if requested by the Company, the amount of applicable withholding taxes payable by the Participant by reason of such exercise, or (y) through simultaneous sale through a broker of shares of Company Stock acquired upon exercise. For purposes of Section 5(iv), Mature Shares that are delivered in payment of the option price shall be valued at their Fair Market Value.

(j) Delivery of Stock to Participant. Provided the Participant has delivered proper notice of exercise and full payment of the option price, the Company shall undertake and follow all necessary procedures to make prompt delivery of the number of shares of Company Stock which the Participant elects to purchase at the time specified in such notice. Such delivery, however, may be postponed at the sole discretion of the Company to enable the Company to comply with any applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory authority. As a condition to the issuance of shares of Company Stock, the Company may require such additional payments from the Participant as may be required to allow the Company to withhold any income taxes which the Company deems necessary to insure the Company that it can comply with any federal, state, local and foreign income tax withholding requirements.

(k) Nontransferability of Options. Except as otherwise provided in Section 5(h)(C) or (D) of the Plan, an Option granted to a Participant may be exercised only during such Participant's lifetime by such Participant. An Option may not be sold, exchanged, assigned, pledged, encumbered, hypothecated or otherwise transferred except by will or by the laws of descent and distribution. No Option or any right thereunder shall be subject to execution, attachment or similar process by any creditors of a Participant. Upon any attempted assignment, transfer, pledge, hypothecation or other encumbrance of any Option contrary to the provisions of the Plan, such Option and all rights thereunder shall immediately terminate and shall be null and void with respect to the transferee or assignee.

(l) Notification of Disqualifying Disposition. If a Participant sells or otherwise disposes of any of the shares of Common Stock acquired pursuant to an Incentive Stock Option on or before the later of (i) two (2) years after the date of grant, or (ii) one (1) year after the exercise date, the Participant shall immediately notify the Company in writing of such disposition.

(m) Participant's Rights as a Holder of Shares of Common Stock. A Participant shall have no rights as a holder of shares of Common Stock Subject to an Option until the date the Participant becomes the holder of record of such securities. Except as otherwise provided in Section 12 of the Plan, no adjustment shall be made for dividends or other rights for which the record date occurs prior to the date such stock certificate is issued.

(n) Termination of Employment; Death; Change of Control. The Committee, in its sole discretion, may specify in the applicable Grant Instrument or other agreement the effect of a termination of employment or service, death, Disability or a Change of Control on any Award held by a Participant, including the adjustment or other treatment of performance measures. Unless otherwise provided by the Committee or set forth in a Grant Instrument or other agreement, if a Participant's employment with the Company or any affiliate shall be terminated for any reason, the Company may, in its sole discretion, immediately terminate such Participant's right to any further payments, vesting or exercisability with respect to any Option in its entirety.

Section 6. Restricted Stock Awards

(a) Eligible Participants. The Committee may issue or transfer shares of Company Stock to an Officer, Director or Employee under a Restricted Stock Award, upon such terms as the Committee deems appropriate.

(b) Selection of Participants/Number of Shares. The Committee shall select the Officers, Directors and Employees to receive Restricted Stock Awards and shall determine the number of shares of Company Stock subject to a particular grant in such matter as the Committee determines.

(c) Grant Instrument. Subject to the provisions of the Plan, each Restricted Stock Award granted to a Participant shall be set forth in a Grant Instrument which shall include such terms and conditions as the Board determines, including a vesting schedule and transfer restrictions. Each such Grant Instrument shall incorporate the provisions of the Plan by reference. The date of the grant of a Restricted Stock Award is the date specified in the Grant Instrument.

(d) Purchase Price. The Committee may require the payment by the Participant of a specified purchase price in connection with any Restricted Stock Award.

(e) Vesting Requirements. The restrictions imposed on shares granted under a Restricted Stock Award shall lapse in accordance with the vesting requirements specified by the Committee in the Grant Instrument, *provided* that the Committee may accelerate the vesting of a Restricted Stock Award at any time. Such vesting requirements may be based on the continued employment or service of the Participant with the Company or its Affiliates for a specified time period (or periods) or on the attainment of specified performance goals established by the Committee in its discretion. If the vesting requirements of a Restricted Stock Award shall not be satisfied, the Award shall be forfeited and the shares of Common Stock subject to the Award shall be returned to the Company.

(f) Restrictions/Forfeiture. Shares of Company Stock granted under any Restricted Stock Award may not be transferred, assigned or subject to any encumbrance, pledge, or charge until all applicable restrictions are removed or have expired, unless otherwise allowed by the Committee. Failure to satisfy any applicable restrictions shall result in the subject shares of the Restricted Stock Award being forfeited and returned to the Company. In addition to any otherwise applicable vesting or performance conditions of a Restricted Stock Award, the Committee may specify in a Grant Instrument at the time of the grant of any Restricted Stock Award that the Participant's rights with respect to a Restricted Stock Award shall be subject to cancellation or forfeiture upon the occurrence of certain specified events. The Committee may require in a Grant Instrument that certificates representing the shares granted under a Restricted Stock Award bear a legend making appropriate reference to the restrictions imposed, and that certificates representing the shares granted or sold under a Restricted Stock Award will remain in the physical custody of an escrow holder until all restrictions are removed or have expired.

(g) Rights as Shareholder. Subject to the foregoing provisions of this Section 6 and the applicable Grant Instrument, the Participant shall have all rights of a shareholder with respect to the shares of Company Stock granted to the Participant under a Restricted Stock Award, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto, subject to Section 4(e). Notwithstanding the foregoing, a Participant shall have no rights as a holder of shares of Common Stock with respect to any Restricted Stock Award until the date the Participant becomes the holder of record of such securities.

(h) Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a Restricted Stock Award, the Participant shall file, within thirty (30) days following the date of grant, a copy of such election with the Company and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The

Committee may provide in a Grant Instrument that the Restricted Stock Award is conditioned upon the Participant's making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

(i) Termination of Employment; Death; Change of Control. The Committee, in its sole discretion, may specify in the applicable Grant Instrument or other agreement the effect of a termination of employment or service, death, Disability or a Change of Control on any Award held by a Participant, including the adjustment or other treatment of performance measures. Unless otherwise provided by the Committee or set forth in a Grant Instrument or other agreement, if a Participant's employment with the Company or any affiliate shall be terminated for any reason, the Company may, in its sole discretion, immediately terminate such Participant's right to any further vesting with respect to any Restricted Stock Award in its entirety.

Section 7. Performance-Based Cash Compensation Awards

(a) Eligible Participants. The Committee may grant LTIP Awards to Officers and Employees of the Company, upon such terms and conditions as the Committee deems appropriate.

(b) Selection of Participants/Number of Shares. The Committee shall select the Officers and Employees to receive LTIP Awards and shall determine the cash target subject to a particular grant in such matter as the Committee determines.

(c) Grant Instrument. Subject to the provisions of the Plan, each LTIP Award granted to a Participant shall be set forth in a Grant Instrument which shall include such terms and conditions as the Board determines, including a vesting schedule. Each such Grant Instrument shall incorporate the provisions of the Plan by reference. The date of the grant of an LTIP Award is the date specified in the Grant Instrument.

(d) Purchase Price. The Committee may require the payment by the Participant of a specified purchase price in connection with any LTIP Award.

(e) Vesting; Performance Measures; Payment. The timing and conditions for vesting and/or payment of LTIP Awards, including any events which would accelerate vesting and/or payment of Awards, shall be determined by the Committee, in its sole discretion, and may include continued services to the Company for a specified period and/or the achievement of one or more performance measures, or such other events or requirements as the Committee may determine, in its sole discretion. In particular, the amounts payable under an LTIP Award may vary based on, be indexed to, or be conditioned all or in part on, the satisfaction of one or more performance measures, which performance measures may relate to such measures or combination of measures of individual performance and/or the Company's performance (including, without limitation, any divisional, business unit or other performance) as the Committee, in its sole discretion, deems appropriate. Performance measures may be absolute or relative, may include, without limitation, risk-based adjustments or adjustments for items that are unusual in nature or infrequent in occurrence, may be measured over a specified performance period which may be a fiscal year or any longer or shorter period of time, and may be based on, without limitation, return on equity, EBITDA, return on common equity, total shareholder return, market price of the Company's common stock or the market price, face amount or discounted value of other debt or equity securities, book value per share, tangible book value per share, earnings per share, net income, pre-tax operating income, net revenues or pre-tax earnings or debt-to-equity ratio. If the vesting and/or performance measures of a LTIP Award shall not be satisfied, the Award shall be forfeited.

(f) Forfeiture; Recapture. Unless the Committee determines otherwise, the Participant's rights in respect of all of his or her outstanding LTIP Awards (whether or not vested) shall immediately terminate and such Awards shall cease to be outstanding if: (i) the Participant in any manner, directly or indirectly, (1) Solicits any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company or (2) interferes with or damages (or attempts to interfere with or damage) any relationship between the Company and any Client or (3) Solicits any person who is an employee of the Company to resign from the Company or to apply for or accept employment with any Competitive Enterprise, (ii) the Participant fails to certify to the Company, in accordance with procedures established by the Committee, that the Participant has complied, or the Committee determines that the Participant in fact has failed to comply, with all the terms and conditions of the Plan or Grant Instrument or (iii) any event constituting Cause occurs with respect to the Participant. By accepting any payment in accordance with the Plan, the Participant shall be deemed to have represented and certified at such time that the Participant has complied with all the terms and conditions of the Plan and the Grant Instrument.

(g) Termination of Employment; Death; Change of Control. The Committee, in its sole discretion, may specify in the applicable Grant Instrument or other agreement the effect of a termination of employment or service, death, Disability or a Change of Control on any Award held by a Participant, including the adjustment or other treatment of performance measures. Unless otherwise provided by the Committee or set forth in a Grant Instrument or other agreement, if a Participant's employment with the Company or any affiliate shall be terminated for any reason, the Company may, in its sole discretion, immediately terminate such Participant's right to any further payments or vesting with respect to any LTIP Award in its entirety.

(h) Deferral of Awards. Subject to approval by the Committee and to any requirements imposed by the Committee in connection with such approval and to the extent permitted under Section 409A of the Code, each Participant may be eligible to defer receipt, under the terms and conditions of any applicable deferred compensation plan of the Company, of part or all of any payments otherwise due under any LTIP Award.

(i) Maximum Amount. Notwithstanding anything to the contrary in the Plan or any applicable Grant Instrument, no Participant shall receive any payment under any LTIP Award in an amount in excess of the amount stated as the "Maximum Individual Bonus" under the StoneX Group Inc. 2021 Executive Performance Plan or such other successor plan, as the Committee may determine.

(j) Repayment. The Committee may determine that amounts paid pursuant to an LTIP Award in accordance with the Plan be repaid to the Company, which terms shall be set forth in the applicable Grant Instrument.

Section 8. Consequences of a Change of Control

(a) Acceleration. Unless the Committee determines otherwise, effective upon the date of the Change of Control, (i) all outstanding Options shall automatically accelerate and become fully exercisable, (ii) the restrictions and conditions on all outstanding Restricted Stock Awards shall immediately lapse, and (iii) all LTIP Awards shall become fully vested and shall be paid (with such LTIP Award vesting and payment to be calculated in the same manner as if the Participant was terminated without Cause).

(b) Other Alternatives. Notwithstanding the foregoing, in the event of a Change of Control, the Committee may take one or more of the following actions with respect to any or all outstanding Grants: the Committee may (i) require that Participants surrender their outstanding Grants in exchange for one or more payments by the Company, in cash or Company Stock as determined by the Committee, in an amount equal to (a) in the case of Options, the amount by which the then Fair Market Value of the shares of Company Stock subject to the Participant's unexercised Options exceeds the Exercise Price of the Options, (b) in the case of Restricted Stock the then Fair Market Value of the shares of Company Stock underlying the Participant's Restricted Stock award and (c) in the case of LTIP Awards, the fair market value of the LTIP Award as determined by the Board in its sole discretion, (ii) after giving Participants an opportunity to exercise their outstanding Options, terminate any or all unexercised Options at such time as the Committee deems appropriate or (iii) determine that outstanding Grants that are not exercised or otherwise remain in effect after the Change of Control shall be assumed by, substituted with, converted to or replaced with similar grants of the surviving corporation (or a parent or subsidiary of the surviving corporation). Such surrender or termination shall take place as of the date of the Change of Control or such other date as the Committee may specify. The actions taken by the Committee pursuant to this Section 8 need not be uniform among Participants or among Grants.

(c) Notices. Notwithstanding anything in the Plan to the contrary, the Company shall use its best efforts to give at least fifteen (15) days written notice of a Change of Control to holders of unexercised Options prior to the effective date of the transaction constituting a Change of Control.

(d) Section 280G Better Off-Cutback.

(i) Anything in the Plan to the contrary notwithstanding, in the event that the Accounting Firm (as defined below) shall determine that receipt of all Payments (as defined below) would subject the Participant to tax under Section 4999 of the Code, the Accounting Firm shall determine whether some amount of Plan Payments (as defined below) meets the definition of "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, then the aggregate Plan Payments shall be reduced to such Reduced Amount.

(ii) If the Accounting Firm determines that the aggregate Plan Payments should be reduced to the Reduced Amount, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. Notwithstanding the provisions of Section 2(c), all determinations made by the Accounting Firm under this Section 8(d) shall be binding upon the Company. In connection with making determinations under this Section 8(d), the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by the Participant before or after the Change in Control, including any non-competition provisions that may apply to the Participant, and the Company shall cooperate in the valuation of any such services, including any non-competition provisions.

(iii) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the Participant's benefit pursuant to the Plan which should not have been so paid or distributed (each, an "Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the Participant's benefit pursuant to the Plan could have been so paid or distributed (each, an "Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Participant which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for the Participant's benefit shall be repaid by the Participant to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided*, *however*, that no such repayment shall be required if and to the extent such deemed repayment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the Participant's benefit together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. All fees and expenses of the Accounting Firm in implementing the provisions of this Section 8(d) shall be borne by the Company.

(iv) The following terms shall have the following meanings for purposes of this Section 8(d).

(A) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the Participant's benefit, whether paid or payable pursuant to this Agreement or otherwise;

(B) "Accounting Firm" shall mean a nationally recognized accounting firm as selected by the Company;

(C) "Plan Payment" shall mean a Payment paid or payable pursuant to the Plan (disregarding this Section 8(d));

(D) "Net After-Tax Receipt" shall mean the Present Value of a Payment net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Participant's taxable income for the immediately preceding taxable year, or such other rate(s) as the Participant shall certify, in the Participant's sole discretion, as likely to apply to the Participant in the relevant tax year(s);

(E) "Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment; and

(F) "Reduced Amount" shall mean the amount of the Plan Payments that (x) has a Present Value that is less than the Present Value of all Plan Payments and (y) results in aggregate Net After-Tax Receipts for all Payments that are greater than the Net After-Tax Receipts for all Payments that would result if the aggregate Present Value of the Plan Payments were any other amount that is less than the Present Value of all Plan Payments.

Section 9. Withholding of Taxes

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Employer may require that the Participant or other person receiving Grants or exercising Grants pay to the Employer the amount of any federal, state or local taxes that the Employer is required to withhold with respect to such Grants, or the Employer may deduct from other wages and compensation paid by the Employer the amount of any withholding taxes due with respect to such Grants.

(b) Election to Withhold Shares. If the Committee so permits, a Participant may elect to satisfy the Employer's tax withholding obligation with respect to Grants paid in Company Stock by having shares withheld up to an amount that does not exceed the Participant's minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities. The election must be in a form and manner prescribed by the Committee and may be subject to the prior approval of the Committee.

Section 10. Transferability of Grants

(a) Nontransferability of Grants. Except as described in subsection (b) below, only the Participant may exercise rights under a Grant during the Participant's lifetime. A Participant may not transfer those rights except (i) by will or by the laws of descent and distribution or (ii) with respect to Grants other than Incentive Stock Options, pursuant to a domestic relations order. When a Participant dies, the personal representative or other person entitled to succeed to the rights of the Participant may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Participant's will or under the applicable laws of descent and distribution. LTIP Awards are not transferable. If a Participant dies, any amounts payable after the Participant's death pursuant to an LTIP Award shall be paid to the personal representative or other person entitled to succeed to the rights of the Participant.

(b) Transfer of Nonqualified Stock Options or Restricted Stock Awards. Notwithstanding the foregoing, the Committee may provide, in a Grant Instrument, that a Participant may transfer Nonqualified Stock Options or Restricted Stock Awards to family members, or one or more trusts or other entities for the benefit of or owned by family members, consistent with the applicable securities laws, according to such terms as the Committee may determine; *provided* that the Participant receives no consideration for the transfer of an Option or Restricted Stock Award and the transferred Option or Restricted Stock Award shall continue to be subject to the same terms and conditions as were applicable to the Option or Restricted Stock Award, as applicable, immediately before the transfer.

Section 11. Requirements for Issuance or Transfer of Shares

No Company Stock shall be issued or transferred in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance or transfer of such Company Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant on the Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of the shares of Company Stock as the Committee shall deem necessary or advisable, and certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Company Stock issued or transferred under the Plan may be subject to such stop-transfer orders and other restrictions as the Committee deems appropriate to comply with applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon.

Section 12. Amendment and Termination of the Plan

(a) Amendment; No Repricing. The Board may amend or terminate the Plan at any time; *provided*, *however*, that the Board shall not amend the Plan without stockholder approval if such approval is required in order to comply with the Code or other applicable law, or to comply with applicable stock exchange requirements. The terms of outstanding Grants may not be amended to reduce the exercise price of outstanding Options or cancel outstanding Options in exchange for cash, other awards or Options with an exercise price that is less than the exercise price of the original Options without stockholder approval.

(b) Termination of Plan. Unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the stockholders, with respect to Options and with respect to Restricted Stock Awards, the Plan shall terminate ten (10) years after the approval of the 2022 Omnibus Incentive Compensation Plan by the shareholders of the Company.

With respect to LTIP Awards, the Plan shall continue until terminated by the Board.

(c) Termination and Amendment of Outstanding Grants. A termination or amendment of the Plan that occurs after a Grant is made, or an outstanding Grant, shall not materially impair the rights of a Participant unless the Participant consents or unless the Committee acts under Section 13(f) below.

Section 13. Miscellaneous

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in the Plan shall be construed to (i) limit the right of the Committee to make Grants under the Plan in connection with a corporate merger, consolidation, the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, the acquisition of stock or property, reorganization or liquidation involving the Company, including Grants to employees or another corporation, firm or association who become Employees, or (ii) limit the right of the Company to grant stock options or make other awards outside of the Plan. Notwithstanding anything in the Plan to the contrary, the Committee may establish such terms and conditions of the new Grants as it deems appropriate, including setting the exercise price of Options at a price necessary to retain for the Participant the same economic value as the prior options or rights.

(b) Governing Document. The Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend the Plan in any manner. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(c) Funding of the Plan. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under the Plan.

(d) Rights of Participants. Nothing in the Plan shall entitle any Officer, Director, Employee, Consultant or other person to any claim or right to receive a Grant under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Employer or any other employment rights.

(e) No Fractional Shares. No fractional shares of Company Stock shall be issued or delivered pursuant to the Plan or any Grant. Except as otherwise provided under the Plan, the Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(f) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Company Stock under Grants shall be subject to all applicable laws and regulations, and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to Section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Incentive Stock Options comply with the applicable provisions of Section 422 of the Code and that, to the extent applicable, Grants and LTIP Awards comply with, or otherwise be exempt from, the requirements of Section 409A of the Code. The Plan and all Grants issued under the Plan shall be administered, interpreted, and construed in a manner consistent with Section 409A of the Code to the extent necessary to avoid the imposition of additional taxes, additional interest or other adverse tax consequences under Section 409A(a)(1)(B) of the Code. To the extent that any legal requirement of Section 16 of the Exchange Act or Section 422 or 409A of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Section 422 or 409A of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. To the extent required under Section 409A of the Code, payments or distributions to a Participant who is a "specified employee" (within the meaning of such term under Section 409A of the Code) upon his or her separation from service shall be postponed and subject to a six (6)-month delay and shall be paid within fifteen (15) days after the end of the six (6)-month period following separation from service or if the Participant dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of Section 409A of the Code shall be paid to the personal representative of the Participant's estate within sixty (60) days after the date of the Participant's death. If an Award includes a "series of installment payments" (within the meaning of Section 1.409A- 2(b)(2)(iii) of the Treasury Regulations), a Participant's right to such series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if an Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), a Participant's right to such dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding anything in the Plan to the contrary, in no event shall the Committee exercise its discretion to accelerate the payment or settlement of a Grant where such payment or settlement constitutes deferred compensation within the meaning of Code Section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation Section 1.409A-3(j)(4) or any successor provision.

(g) Employees Subject to Taxation Outside the United States. With respect to Participants who are believed by the Committee to be subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions, consistent with the Plan, as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(h) Clawback Rights. Subject to the requirements of applicable law, the Committee may provide in any Grant Instrument that, if a Participant breaches any restrictive covenant agreement between the Participant and the Employer or otherwise engages in activities that constitute Cause either while Employed by, or providing service to, the Employer or within a specified period of time thereafter, all Grants held by the Participant shall terminate, and the Company may rescind any exercise of an Option and the vesting of any other Grant and delivery of shares upon such exercise or vesting, as applicable on such terms as the Committee shall determine, including the right to require that in the event of any such rescission, (i) the Participant shall return to the Company the shares received upon the exercise of any Option and/or the vesting and payment of any other Grant or, (ii) if the Participant no longer owns the shares, the Participant shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Participant transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach), net of the price originally paid by the Participant for the shares. Payment by the Participant shall be made in such manner and on such terms and conditions as may be required by the Committee. In addition, any Grant which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to any such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any law, government regulation or stock exchange listing requirement).

(i) Clawback Policy. In May 2021, the Company adopted a “Clawback Policy” which permits the Committee, in its discretion and in accordance with principles established by the Committee from time to time, to approve the recoupment, repayment or forfeiture, as applicable, of any incentive-based compensation paid to any “officer” of the Company as defined under Rule 16a- 1(f) under the Securities Exchange Act of 1934 (a “Covered Executive”), if the Committee determines that:

a. the amount of Incentive-Based Compensation paid was based on the achievement of financial results that were subsequently the subject of a material accounting restatement that occurred within three years of such payment (except in the case of a restatement due to a change in accounting policy or simple error);

b. the Covered Executive engaged in fraud, gross negligence or intentional misconduct; or

c. the Covered Executive deliberately misled the market or the Company’s stockholders regarding the Company’s financial performance.

(j) Right of Offset. To the extent permitted by Section 409A of the Code, the Company shall have the right to offset against its obligation to pay an LTIP Award to any Participant, any outstanding amounts (including, without limitation, travel and entertainment or advance account balances, loans, repayment obligations under any LTIP Awards, or amounts repayable to the Company pursuant to tax equalization, housing, automobile or other employee programs) such Participant then owes to the Company and any amounts the Committee otherwise deems appropriate pursuant to any tax equalization policy or agreement.

(k) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Instruments issued under the Plan shall be governed and construed by and determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Sean M. O’Connor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of StoneX Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d - 15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2024

/s/ SEAN M. O’CONNOR
Sean M. O’Connor
Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, William J. Dunaway certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of StoneX Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d - 15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2024

/s/ WILLIAM J. DUNAWAY

William J. Dunaway
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of StoneX Group Inc. (the Company) on Form 10-Q for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Sean M. O’Connor, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 6, 2024

/s/ SEAN M. O’CONNOR
Sean M. O’Connor
Chief Executive Officer

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to StoneX Group Inc. and will be retained by StoneX Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of StoneX Group Inc. (the Company) on Form 10-Q for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, William J. Dunaway, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 6, 2024

/s/ WILLIAM J. DUNAWAY
William J. Dunaway
Chief Financial Officer

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to StoneX Group Inc. and will be retained by StoneX Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.