

Iowa Electronic Markets: Forecasting the 2024 U.S. Election*

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Initial Draft: August 2023

Current Draft: March 6, 2024

Abstract

Since 1988, the Iowa Electronic Markets (IEM) have run real-money, internet-based futures markets where contract prices for political election outcomes reveal information about those future outcomes. The IEM has established a track record of accuracy in predicting presidential, House, and Senatorial elections. From prices, we produce forecasts for the presidential popular vote and for seat distributions for the House and Senate.

* For future publication, this paper is preregistered via the 2023 APSA session: "Preregistering 2024 U.S. Presidential Election Forecasts.

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I. Introduction

II. The Iowa Electronic Markets

The Iowa Electronic Markets (IEM) are relatively small scale, but real-money futures markets that trade futures and binary options contracts designed so that prices forecast future events. The University of Iowa, Tippie College of Business operates the markets for teaching and research purposes. Traders invest their own money to trade, bearing the real-money risks and reaping the real-money rewards of their activity.¹ The IEM market structure closely parallels naturally occurring financial markets. It operates as an order-driven market accessed through the Internet. Traders can place both limit and market orders. Price and time ordered queues hold outstanding bids and asks. The current best (highest) bid and best (lowest) ask are always publicly known.

One way to measure accuracy of IEM election markets is to look at vote share markets, which forecast the relative vote shares received by candidates. Reproduced from Berg, Gruca and Rietz (2022), Figure 1 compares the election eve forecast vote shares to actual vote shares received in IEM vote share and similar contracts. In presidential elections (including 2020), the absolute prediction error has averaged 1.34 percentage points. Berg, Nelson and Rietz (2008) show that vote share market forecasts are closer to eventual outcomes than polls 74% of the time overall and increase in relative accuracy further in advance of the election. Using Winner-Takes-All (WTA) markets, Berg and Rietz (2019) find prices are relatively efficient in forecasting probabilities except possibly for transitory mispricing for tail probabilities. Gruca and Rietz (2023) show how efficient pricing arise through a complex interaction between different types of traders, arbitrage relationships and IEM market structure.

¹ Because IEM contracts are real futures contracts, the IEM is under the regulatory purview of the Commodity Futures Trading Commission (CFTC). The CFTC issued “no-action” letters to the IEM stating that as long as the IEM conforms to certain restrictions (related to limiting risk and conflict of interest), the CFTC will take no action against it. Under this no-action letter, IEM does not file reports that are required by regulation and therefore it is not formally regulated by, nor are its operators registered with, the CFTC.

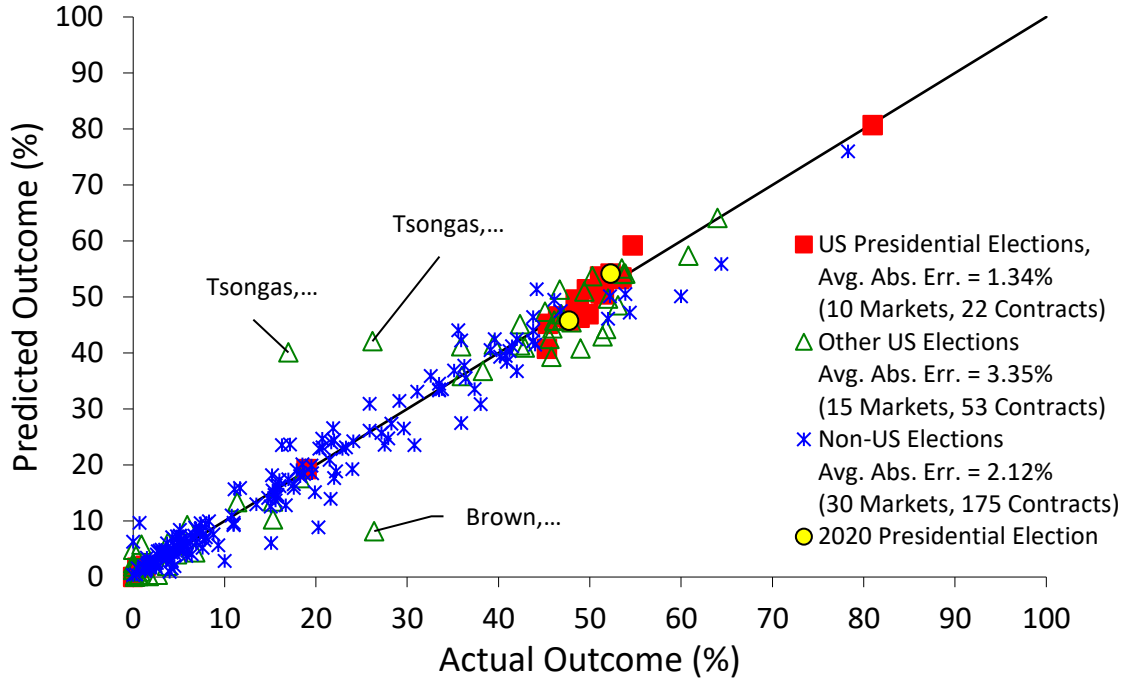


Figure 1: Accuracy of IEM markets for US Presidential elections, other US elections, and non-US elections (reproduced from Berg, Gruca and Rietz (2022)).

The two general types of prediction markets run by the IEM are Vote-Share (VS) markets and Winner-Takes-All (WTA) markets. VS markets trade contracts with payoff that equal \$1 times the vote share taken by the associated candidate in the election. WTA markets trade contracts with payoff that equal \$1 if the associated candidate takes the majority of the vote.

In each VS market, a complete slate or “bundle” of contracts consists of one contract associated with each candidate and the payoff will equal the share of the votes received by that candidate relative to all candidates listed in the market. The bundle is risk free because the payoffs will always sum to \$1. Bundles can be purchased from or sold to the exchange at any time and earn a zero return. Cash holdings are also risk-free and earn a zero return. There are no transaction fees. There is no aggregate uncertainty. As a result, all assets should yield the risk free return of zero and be priced at their expected values.² Thus, $p_t^j = E\left(\frac{V_T^j}{\sum_i V_T^i} \middle| \Phi_t\right)$ where p_t^j is the price of contract j at date t , V_T^j is the number of votes received by candidate j on election date T , the summation is over candidates indexed by i , E is the expectations operator and Φ_t is the information available at date t . Thus, the price should be the market forecast of the vote share received by the candidate relative to all the candidates in the market.

² See Malinvaud (1974) for a general equilibrium proof of this proposition and Berg and Rietz (2019) for a more complete exposition in context.

However, because of asynchronous trading and bid/ask bounce, the most recent prices may not add up to exactly 1. Therefore, we “normalize” the most recent prices by their sum when computing forecasts. Thus, normalized prices and forecast are: $\hat{p}_t^j = \frac{p_t^j}{\sum_i p_t^i}$, where i indexes the contracts. This ensures that the forecast vote shares sum to one.

In each WTA market, a complete slate or “bundle” of contracts consists of one contract associated with each candidate and the payoff will equal 1 if the candidate wins the most popular votes among the candidates considered. Again, the bundle is risk free because one contract will always pay \$1 and bundles can be purchased from or sold to the exchange at any time for \$1. Again, contracts should be priced at their expected values. Thus, $p_t^j = (q_t^j | \Phi_t) \cdot \$1 + (1 - (q_t^j | \Phi_t)) \cdot \$0 = \$q_t^j$. where p_t^j is the price of contract j at date t and $(q_t^j | \Phi_t)$ is probability that the candidate will receive the most votes among listed candidates given information available at date t . Thus, the price should be the market forecast of the candidate winning the most votes. Again, we “normalize” the most recent prices by their sum when computing forecasts using $\hat{p}_t^j = \frac{p_t^j}{\sum_i p_t^i}$, where i indexes the contracts. This ensures that the forecast probabilities sum to one.

The IEM is currently running seven markets to forecast the 2024 U.S. election, which we describe next. The markets are designed to predict the Presidential election vote shares (PresVS), who will win the Presidential popular vote (PresWTA), which parties will control the houses of congress (Cong. Control), who will control the house (House Control), who will control the Senate (Senate Control), who will become the Democratic nominee for President (Dem. Nominee) and who will become the Republican nominee (Rep. Nominee). Market prospectuses appear in the appendices.

III. 2024 U.S. Presidential Markets

The 2024 U.S. Presidential Vote-Share Market is designed to forecast the percentages of the two-party popular vote taken by each party. The initial contracts are: DEM24_VS associated with the Democratic nominee’s vote share and REP24_VS associated with the Republican nominee’s. See Appendix I for the market prospectus. The 2024 U.S. Presidential Winner-Takes-All Market is designed to forecast the probabilities of each major party receiving the majority of the two-party popular vote. The initial contracts are: DEM24_WTA associated with the Democratic vote share and REP24_WTA associated with the Republican’s. See Appendix II for the market prospectus.

Panel A: Presidential Markets Statistics				
Market	PresVS		PresWTA	
Opening Date	5/19/2023		5/20/2023	
Current Date	3/5/2024		3/5/2024	
Days Open	291		290	
Contract Volume to Date	271		10,552	
Dollar Volume to Date	\$149.85		\$5,743.84	
Panel B: Presidential Markets Most Recent Normalized Prices (3/5/2024)				
Market	PresVS		PresWTA	
Contracts	UDEM24_VS	\$0.549	DEM24_WTA	\$0.695
and Prices	UREP24_VS	\$0.451	REP24_WTA	\$0.305

Table 1: Summary Statistics and Prices for the IEM 2024 U.S. Presidential Election Markets

The Vote-Share market opened on May 20, 2023. On July 6, 2023, the first trade in UDEMVS_24 occurred. Figure 2 shows the prices and forecast vote shares. Until an UREPVS_24 trade occurs, we are basing the forecasts on the last trade price of UDEMVS_24 alone. The first UREPVS_24 traded on MM/DD/YYYY. From that point forward, forecasts are based on normalized prices.

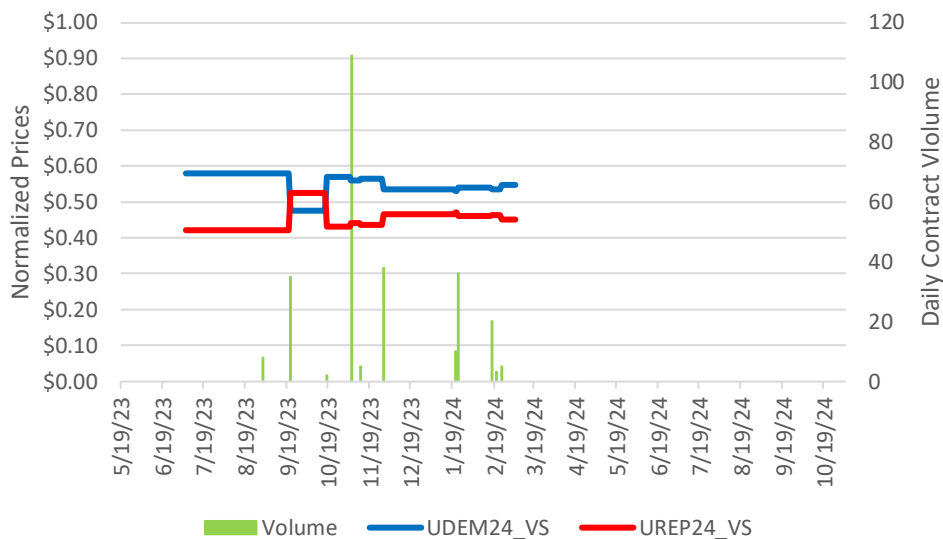


Figure 2: 2024 U.S. Presidential Vote Share Market Prices

The Winner-Takes-All market opened on May 20, 2023 and each contract had traded by June 1, allowing us to compute normalized prices. Figure 3 shows the contract prices and, hence, the forecast probabilities of winning the popular vote to date.

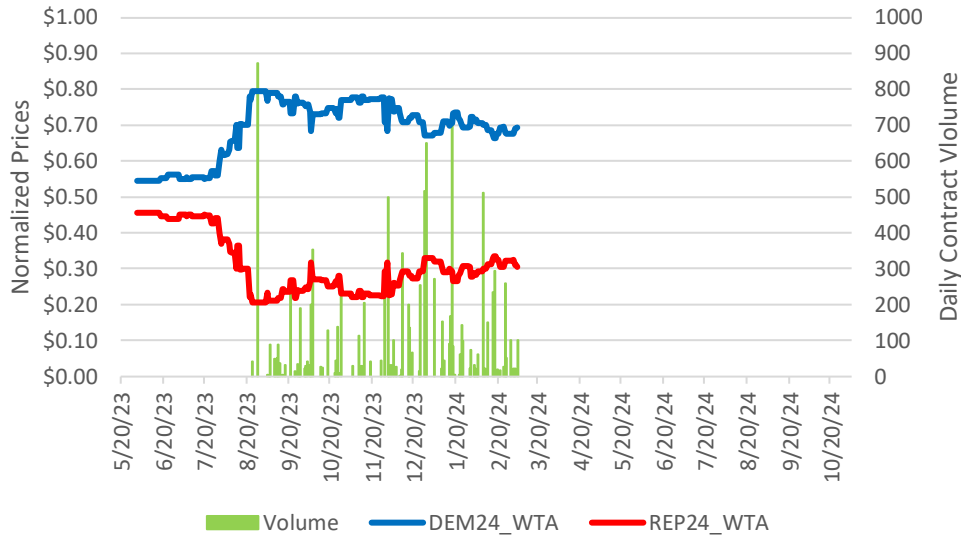


Figure 3: 2024 U.S. Presidential Winner-Takes-All Market Prices

IV. 2024 U.S. Congressional Election Markets

The 2024 U.S. Congressional Control Market is designed to forecast what configuration of parties will control the House and Senate. The initial contracts are: DH_DS24, which pays \$1 if Democrats have outright control of the House and Senate, DH_RS24, which pays \$1 if Democrats control the House and Republicans control the Senate, RH_DS24, which pays \$1 if Republicans control the House and Democrats control the Senate, RH_RS24, which pays \$1 if Republicans control both the House and Senate, and OTHER24, which pays \$1 if there is any other control configuration as a result of third party seats. See Appendix III for the market prospectus.

The 2024 U.S. House Control Market is designed to forecast what party will control the House. The initial contracts are: RH.gain24, which pays \$1 if Republicans increase their majority in the House, RH.hold24, which pays \$1 if Republicans maintain control, but do not increase, and RH.lose24 if Republicans lose control. Control means that Republicans have an outright majority not including independent seats. See Appendix IV for the market prospectus.

The 2024 U.S. Senate Control Market is designed to forecast what party will control the Senate. The initial contracts are: DS.24, which pays \$1 if Democrats control the Senate outright (not including independent seats, but including the vice-presidency if needed), RS.24 which pays \$1 if Republicans control the Senate outright and OS.24, which pays \$1 if neither party controls the Senate outright because of independent seats. See Appendix V for the market prospectus.

Table 1 shows summary statistics for each market and the most recent prices.

Panel A: Congressional Markets Statistics						
Market	Cong. Control		House Control		Senate Control	
Opening Date	5/9/2023		5/9/2023		5/9/2023	
Current Date	3/5/2024		3/5/2024		3/5/2024	
Days Open	301		301		301	
Contract Vol	3,255		2,524		2,291	
Dollar Volume	\$562.55		\$827.83		\$993.95	
Panel B: Congressional Markets Most Recent Normalized Prices (3/5/2024)						
Market	Cong. Control		House Control		Senate Control	
Contracts	DH_DS24	\$0.737	RH.gain24	\$0.158	DS.24	\$0.168
and	RH_RS24	\$0.102	RH.hold24	\$0.090	RS.24	\$0.354
Prices	OTHER24	\$0.211	RH.lose24	\$0.752	OS.24	\$0.478
	RH_DS24	\$0.023				
	DH_RS24	\$0.178				

Table 2: Summary Statistics and Prices for the IEM 2024 U.S. Congressional Election Markets

The Congressional Control market opened on May 9, 2023 and each contract had traded by June 22, allowing us to compute normalized prices. Figure 4 shows the contract prices and, hence, the forecast probabilities of each control configuration.

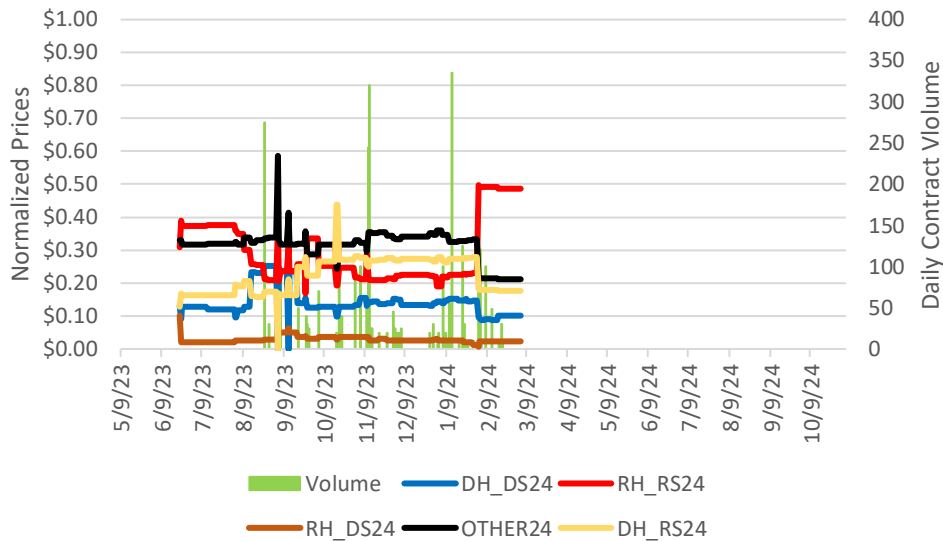


Figure 4: 2024 U.S. Congressional Control Winner-Takes-All Market Prices

The House Control market opened on May 9, 2023 and each contract had traded by June 22, allowing us to compute normalized prices. Figure 5 shows the contract prices and, hence, the forecast probabilities of each control configuration.

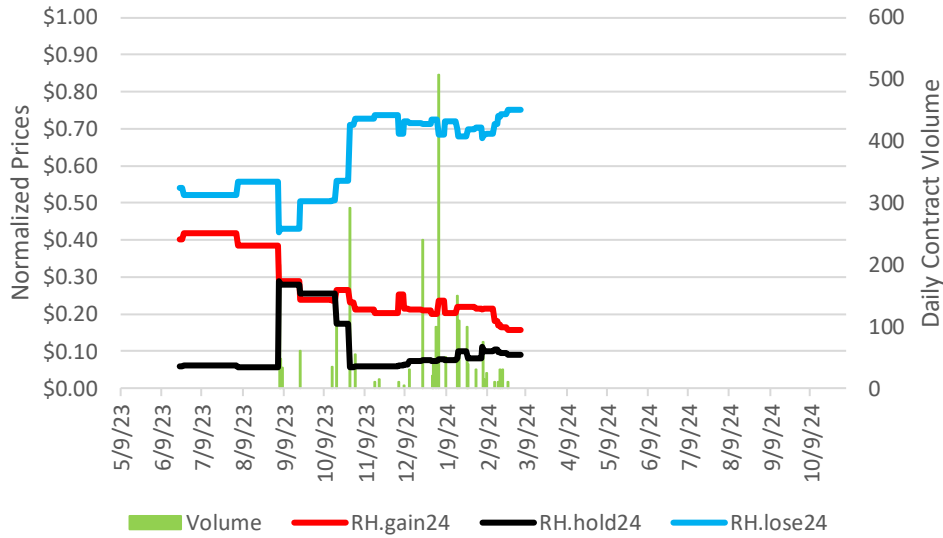


Figure 5: 2024 U.S. House Control Winner-Takes-All Market Prices

The Senate Control market opened on May 9, 2023 and each contract had traded by June 26, allowing us to compute normalized prices. Figure 6 shows the contract prices and, hence, the forecast probabilities of each control configuration.

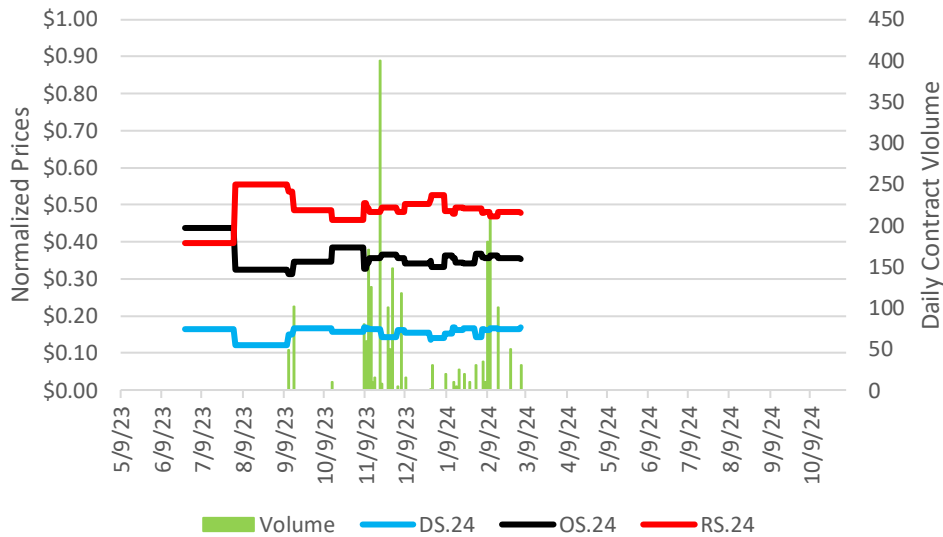


Figure 6: 2024 U.S. Senate Control Winner-Takes-All Market Prices

V. 2024 Convention Markets

The 2024 Democratic Convention Market is designed to forecast who will be the Democratic Party’s official nominee. The initial contracts are: JBID_N24, which pays \$1 if Joe Biden becomes the official nominee, KHAR_N24, which pays \$1 if Kamila Haris become the nominee, RKEN_N24, which pays \$1 if Robert Kennedy becomes the nominee, and DROF_N24, which pays \$1 if an another candidate become the nominee. The DROF_24 contract may split to create new named candidates if the nomination process appears to warrant it. See Appendix VI for the market prospectus.

The 2024 Republican Convention Market is designed to forecast who will be the Democratic Party’s official nominee. The initial contracts are: DTRU_N24, which pays \$1 if Donald Trump becomes the official nominee, NHAL_N24, which pays \$1 if Nikki Haley become the nominee, RDES_N24, which pays \$1 if Ron DeSantis becomes the nominee and RROF_N24, which pays \$1 if another candidate become the nominee. The RROF_24 contract may split to create new named candidates if the nomination process appears to warrant it. See Appendix VII for the market prospectus.

Table 1 shows summary statistics for each market and the most recent prices.

Panel A: Convention Markets Statistics				
Market	Dem Nomination		Rep. Nomination	
Opening Date	5/10/2023		5/10/2023	
Current Date	3/5/2024		3/5/2024	
Days Open	300		300	
Contract Volume to Date	3,255		2,524	
Dollar Volume to Date	\$562.55		\$827.83	
Panel B: Convention Markets Most Recent Normalized Prices (3/5/2024)				
Market	Dem Nomination		Rep. Nomination	
Contracts	JBID_N24	\$0.744	DTRU_N24	\$0.860
and	KHAR_N24	\$0.071	NHAL_N24	\$0.077
Prices	RKEN_N24	\$0.002	RDES_N24	\$0.019
	DROF_N24	\$0.183	RROF_N24	\$0.044

Table 3: Summary Statistics and Prices for the IEM 2024 U.S. Convention Markets

The Democratic Convention market opened on May 10, 2023 and each contract had traded by July 8, allowing us to compute normalized prices. Figure 7 shows the contract prices and, hence, the forecast probabilities of candidate becoming the nominee.

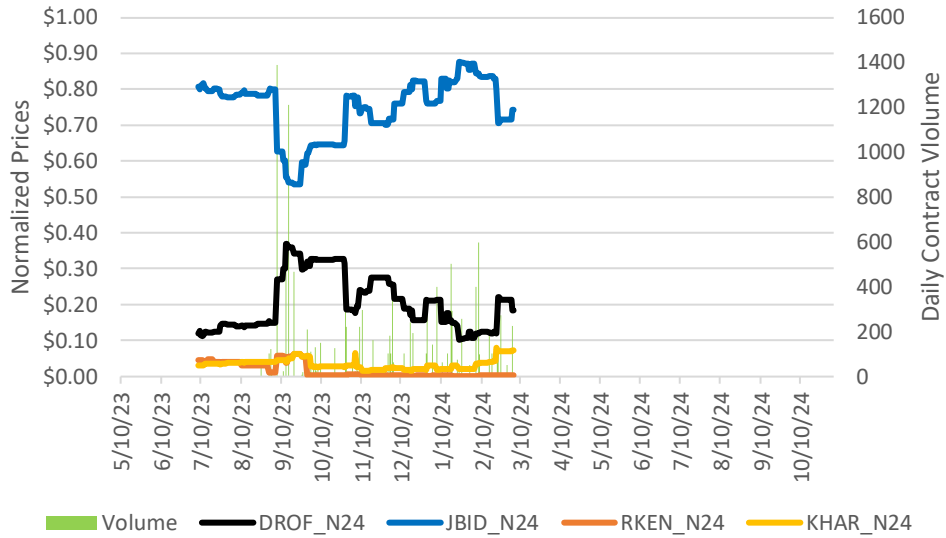


Figure 7: 2024 Democratic Convention Winner-Takes-All Market Prices

The Republican Convention market opened on May 10, 2023 and each contract had traded by July 3, allowing us to compute normalized prices. Figure 8Figure 4 shows the contract prices and, hence, the forecast probabilities of each candidate becoming the nominee.

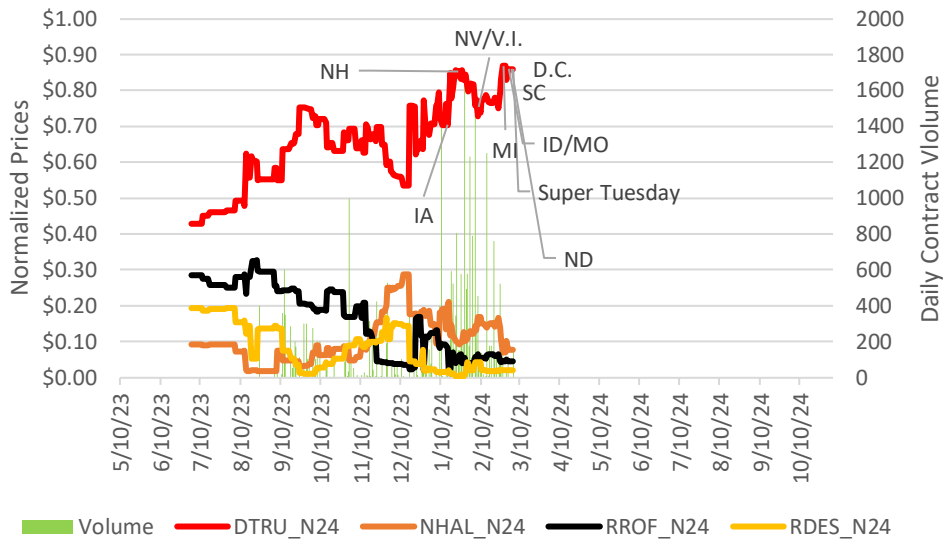


Figure 8: 2024 Republican Convention Winner-Takes-All Market Prices

VI. References

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Appendix I: IEM Prospectus: 2024 U.S. Presidential Vote Share Market

On Saturday, May 20, 2023, the Iowa Electronic Market (IEM) will open trading in vote-share contracts based on the 2024 Presidential Election. This document describes those contracts and should be viewed as a supplement to the IEM Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Payoffs in the 2024 Presidential Vote-Share Market will be determined by the percentages of the two-party popular vote received by the official Democratic and Republican nominees in the 2024 U.S. Presidential Election. Contracts will be associated with the candidates officially nominated by each party. For instance, contracts for a candidate who receives 32.4% of the popular votes cast for the Democratic and Republican candidates, will be worth 32.4 cents each. Payoffs are NOT affected by votes received by nominees from other parties, the outcome of the electoral college or any vote taken by the House of Representatives should such a vote be necessary.

Two-party popular vote means the sum of the popular votes cast for the Democratic and Republican parties.

Contracts

Initially the market will consist of one pair of contracts representing an unnamed Republican presidential nominee and an unnamed Democratic presidential nominee.

Between the opening of the market and the end of the conventions, the IEM reserves the right to split contracts into (possibly several) named nominees for either or both parties as discussed below.

After the Democratic and Republican National Conventions are completed, two contracts will remain in the market: one representing the Democratic party with its actual nominee and one representing the Republican party with its actual nominee. The payoff to these two contracts will be determined by the percentage of the two-party (Democratic plus Republican) popular vote in the 2020 U. S. Presidential Election received by each party.

At market open, the financial contracts traded in this market are:

Code	Contract Description
UDEM24_VS	\$1 times the Unnamed Democratic Nominee's share of the two-party popular vote in the 2024 U.S. Presidential election
UREP24_VS	\$1 times the Unnamed Republican Nominee's share of the two-party popular vote in the 2024 U.S. Presidential election

The contract UDEM24_VS represents the Democratic candidate who, as of the beginning the market, is unnamed. The contract UREP24_VS represents the Republican candidate who, as of the beginning the market, is unnamed.

Liquidation formulas can be viewed while you are logged into the IEM trading system by clicking on the market name, PRES24_VS, at the upper right hand corner of the market window.

Contract Spin-Offs

The IEM reserves the right to spin off contracts associated with named, potential nominees. When new, candidate-specific contracts are created, they will be spun-off from the UDEM24_VS or UREP24_VS contracts.

For example, suppose that the UDEM24_VS contract is split into (1) a named Democratic nominee designated by NAMED24_VS where NAMED represents the new, named potential Democratic nominee and (2) a new UDEM24_VS contract, which represents remaining unnamed potential Democratic nominees. The new contract NAMED24_VS will liquidate at \$1 times the percentage of the two party vote taken by the Democratic party IF the associated named candidate becomes the official Democratic nominee. If the associated candidate does not become the official nominee, the NAMED24_VS contract will expire worthless. UDEM24_VS will liquidate at \$1 times the percentage of the two party vote taken by the Democratic party if the specifically named candidate does not become the official Democratic nominee.

UDEM24_VS may be split repeatedly as other interesting named candidates emerge. Contracts associated with named candidates will always liquidate at \$1 times the percentage of the two party vote taken by the Democratic party IF the associated candidate becomes the official nominee. UDEM24_VS will always liquidate at \$1 times the percentage of the two party vote taken by the Democratic party if no specifically named candidate becomes the nominee.

UREP24_VS may be split in a similar fashion.

No holder of the pre-spinoff contracts will be adversely affected by the spin-off. Traders will receive the same number of each of the new contracts as they held in the original contract, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original contract.

Outstanding bids and asks for the contract which is to be split will be canceled just prior to the spin-off.

Contract spin-offs will be announced in the IEM News Screen at least two days in advance of the spin-off.

After the official Democratic and Republican nominees are determined by their respective conventions, all contracts that will expire worthless (that is those associated with non-nominated candidates and the unnamed contracts if named candidates are nominated) will be removed from trader portfolios and the trading screen. Thus, after the official Democratic and Republican nominees are determined there will again be only two contracts in the market: one denoting the Democratic party in the upcoming election and the other denoting the Republican party in the upcoming election. If a nominee steps down after the convention but before the election, the liquidation values of contracts will remain unaffected even if the nominee is replaced by a previously named nominee.

Determination of Liquidation Values

The election data posted on the New York Times official website at 5pm CST on Wednesday, November 6, 2024, or as soon after as available, will be the official source used to determine payoffs. In the event that the two parties' popular votes are not reported at that website by midnight, Wednesday, November 6, 2020, the Washington Post official website will become the official source. Should neither source report popular vote by midnight Wednesday, the information reported in the print version of the New York Times on Thursday, November 7, 2020, or as soon thereafter as reported, will be used. In the event that the election is delayed or postponed, liquidation will take place in a timely fashion after the close of polling sites for the popular vote.

The judgment of the IEM Steering Committee will be final in resolving questions of interpretation and typographical or clerical errors.

Third Party Candidates

This market is based only on the Democratic and Republican popular vote in the 2024 Presidential Election. It will remain unaffected by the entry of any third party candidates into the race.

Contract Bundles

Fixed price contract bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each fixed price contract bundle is \$1.00. Because the percentages of the popular vote received by each candidate must sum to one, the total payoff from holding a contract bundle until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the “Bundle Orders” option from the Trading Console. Select “Pres24_VS” and the radio button “Buy at Fixed Price” from the Bundle Orders list to buy bundles. Select “Pres24_VS” and the radio button “Sell at Fixed Price” to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a market bundle at current ASK prices, use the “Bundle Orders” option as above but select “Pres24_VS” and the radio button “Buy at Market ASK Prices.” To sell a bundle at current market BID prices, select “Pres24_VS” and the radio button “Sell at Market BID Prices.”

Bundle purchases will be charged to your cash account and bundle sales will be credited to your cash account.

This market will remain open until contract liquidation. Liquidation values will be credited to the cash accounts of market participants.

Market Access

Current and newly enrolled IEM traders with U.S. dollar accounts will automatically be given access rights to trade in the 2024 U.S. Presidential Vote Share Market. “Pres24_VS” from the Navigation Bar.

Funds in a trader’s cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time by using the “Adding to Your Investment” link found under “My Account” while logged into the IEM software. New traders can open accounts using the “Open An Account” button found at the IEM website, <https://iem.uiowa.edu>. There is a one-time account registration fee of \$5.00, and investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM's Online Withdrawal Request form. Additional information about requesting withdrawals is available at the IEM website at <https://iemweb.biz.uiowa.edu/account-maintenance/withdrawals/>.

Appendix II: IEM Prospectus: 2024 U.S. Presidential Winner-Takes-All Market

On Saturday, May 20, 2023, the Iowa Electronic Market (IEM) will open trading in a winner-takes-all market based on the 2024 U.S. Presidential election.

The payoffs in this market will be based on the popular vote received by the official Democratic and Republican nominees in the 2024 U.S. Presidential election. Payoffs are NOT affected by votes received by nominees from other parties, the outcome of the electoral college or any vote taken by the House of Representatives should such a vote be necessary.

This document describes the market and should be viewed as a supplement to the Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Contracts

The financial contracts initially traded in this market are:

Code	Contract Description
DEM24_WTA	\$1 if the Democratic Party nominee receives the majority of popular votes cast for the two major parties in the 2024 U.S. Presidential election, \$0 otherwise
REP24_WTA	\$1 if the Republican Party nominee receives the majority of popular votes cast for the two major parties in the 2024 U.S. Presidential election, \$0 otherwise

Determination of Liquidation Values

This is a winner-takes-all market. The payoff will be determined by which of the two nominees receives the larger share of the popular vote cast for the Democratic and Republican candidates in the 2024 U.S. Presidential election.

Contracts associated with the nominee who does not receive the larger number of popular votes in the election will pay off \$0. Contracts associated with the nominee that receives the larger number of popular votes will pay off \$1, provided that there have been no contract spin-offs in the market. In the event of spin-offs, payoffs are determined as described below.

The election data posted on the New York Times official website at 5pm CST on Wednesday, November 6, 2024, or as soon after as available, will be the official source used to determine payoffs. In the event

that the two parties' popular votes are not reported at that website by midnight, Wednesday, November 6, 2024, the Washington Post official website will become the official source. Should neither source report popular vote by midnight Wednesday, the information reported in the print version of the New York Times on Thursday, November 7, 2024, or as soon thereafter as reported, will be used. In the event that the election is delayed or postponed, liquidation will take place in a timely fashion after the close of polling sites for the popular vote.

Liquidation formulas can be viewed while you are logged into the IEM trading system by clicking on the market name, PRES24_WTA, at the upper right hand corner of the market window.

The judgment of the IEM Steering Committee will be final in resolving questions of typographical or clerical errors and ambiguities.

Contract Spin-Offs

The IEM reserves the right to introduce new contracts to the market as spin-offs of existing contracts. When a contract spin-off occurs, an original contract will be replaced by two or more new contracts which subdivide the payoff space of the original contract. Contracts may be split to correspond to different vote share levels. For example, the contract DEM24_WTA could be split into two contracts, DEM24_WTA_G55 and DEM24_WTA_L55, where DEM24_WTA_G55 denotes the case in which the Democratic nominee receives the most popular votes AND that the Democratic vote share is 55% or more of the total two-party vote, while DEM24_WTA_L55 denotes the case in which the Democratic nominee receives the most popular votes AND that the Democratic vote share is less than 55% of the total two-party vote.

Alternatively, the contracts may be split to correspond to different potential nominees. For example, the contract DEM24_WTA could be split into two contracts, DNAME24_WTA and a new DEM24_WTA where DNAME24_WTA denotes the case in which the Democratic nominee receives the most popular votes AND the official nominee at the Democratic Convention was NAME, while the new DEM24_WTA denotes the case in which the Democratic nominee receives the most popular votes AND the official nominee of the Democratic Convention is not the specifically named candidate. DEM24_WTA may be split repeatedly as other interesting named candidates emerge. Contracts associated with named Democratic candidates will liquidate at \$1 if the Democratic nominee receives the most popular votes AND the official nominee at the Democratic Convention was NAME. DEM24_WTA will liquidate at \$1 if

Democratic nominee receives the most popular votes AND the official nominee of the Democratic Convention is not one of the specifically named Democratic candidates.

No holder of the pre-spinoff contracts will be adversely affected. Traders will receive the same number of each of the new contracts as they held in the original, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original.

Outstanding bids and asks for the contract which is to be split will be canceled just prior to the spin-off.

Decisions to spin-off a contract will be announced at least two days in advance of the spin-off. The new contract names, the specifications regarding liquidation values and the timing of the spin-off will be included in the announcement. This announcement will appear as an Announcement on your IEMXchange login screen.

Contract Bundles

Fixed price contract bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each fixed price contract bundle is \$1.00. Because exactly one of the listed U.S. Presidential election outcomes will result from the election, the total payoff from holding a fixed price contract bundle until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the "Bundle Orders" option from the Trading Console. Select "Pres24_WTA" and the radio button "Buy at Fixed Price" from the Bundle Orders list to buy bundles. Select "Pres24_WTA" and the radio button "Sell at Fixed Price" to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a market bundle at current ASK prices, use the "Bundle Orders" option as above but select "Pres24_WTA" and the radio button "Buy at Market ASK Prices." To sell a bundle at current market BID prices, select "Pres24_WTA" and the radio button "Sell at Market BID Prices."

Bundle purchases will be charged to your cash account and bundle sales will be credited to your cash account.

This market will remain open until contract liquidation. Liquidation values will be credited to the cash accounts of market participants.

Market Access

Current and newly enrolled IEM traders with U.S. dollar accounts will automatically be given access rights to trade in the 2024 U.S. Presidential Winner-Takes-All Market. Access to this market is achieved by logging into the IEM and choosing "PRES24_WTA" from the Navigation Bar.

Funds in a trader's cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time by using the "Adding to Your Investment" link found under "My Account" while logged into the IEM software. New traders can open accounts using the "Open An Account" button found at the IEM website, <https://iem.uiowa.edu>. There is a one-time account registration fee of \$5.00, and investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM's Online Withdrawal Request form. Additional information about requesting withdrawals is available at the IEM website at <https://iemweb.biz.uiowa.edu/accounts/withdrawals.html>.

Appendix III: IEM Prospectus: 2024 U.S. Congressional Control Winner-Takes-All Market

On Tuesday, May 9, 2023, the Iowa Electronic Markets (IEM) will open trading in a market based on the composition of the two houses of Congress following the 2024 U.S. elections. Contract liquidation values in this Congressional Control market will be determined by the number of seats won by members of the Democratic, Republican, and other parties in each house.

Initially, five contracts will trade in this market, each representing one of five possible unique and exhaustive outcomes. The liquidation value of the contract which represents the actual outcome of the election will be \$1.00. All other contracts will have a value of zero.

This document describes the market and should be viewed as a supplement to the Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Contracts

The financial contracts initially traded in this market are:

Code	Contract Description
DH_DS24	\$1 if Democratic House majority, Democratic Senate majority; \$0 otherwise
DH_RS24	\$1 if Democratic House majority, Republican Senate majority; \$0 otherwise
RH_DS24	\$1 if Republican House majority, Democratic Senate majority; \$0 otherwise
RH_RS24	\$1 if Republican House majority, Republican Senate majority; \$0 otherwise
OTHER24	\$1 if none of the other named contracts in Congress24 has a pay off of \$1; \$0 otherwise

The first two letters of the contract symbol represent the net effect of the U.S. House of Representative elections. DH means that Democrats hold 218 or more of the 435 seats in the House. RH means that Republicans hold 218 or more seats in the House.

The next two letters in the symbol represent the net effect of the U.S. Senate elections. DS means that Democrats hold 51 or more of the 100 seats in the Senate or 50 seats plus the Vice Presidency. RS means that Republicans hold 51 or more of the 100 Senate seats or 50 seats plus the Vice Presidency in the Senate.

The contract OTHER24 represents the outcome that for at least one house of Congress, neither Democrats or Republicans hold more than half the seats as defined above.

All references to “House seats” in this document are to voting seats in the House of Representatives and specifically exclude those non-voting seats held by Representatives from American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia.

Determination of Liquidation Values

This is a winner-takes-all market. The contract that denotes the actual outcome of the election will have a liquidation value of \$1.00; all others will have values of \$0.00. For example, if the number of House seats won by Democrats in the 2024 election is 218 and the number of Senate seats won by Democrats plus the number of seats held by incumbent Democratic Senators not up for re-election is 51, the contract DH_DS24 will have a value of \$1.00 and the other four contracts will have values of zero. Similarly, if the number of House seats won by Democrats in the 2024 election is 218, while the number of seats held by Democrats in the Senate after the election (as defined above) is 49 and the number of seats held by Republicans in the Senate after the election (as defined above) is also 49, then the contract OTHER24 will have a value of \$1.00 and the other four contracts will have values of zero.

The U.S. Senate website (<http://senate.gov>) will be the official source for the party affiliations of continuing Senators. The New York Times will be the official source for election results. The election data posted on the New York Times official website at 5pm CST on Wednesday, November 6, 2024, or as soon after as available, will be the official source used to determine the results of the election. In the event that the results are not reported at that website by midnight, Wednesday, November 6, 2024, the Washington Post official website will become the official source. Should neither source report 2024 election results by midnight Wednesday, the information reported in the print version of the New York Times on Thursday, November 7, 2024, or as soon thereafter as reported, will be used.

For purposes of determining payoffs, we will use the composition of the House and Senate for the 119th Congress as determined by each member’s party affiliation at the time of the election. For Representatives and newly elected Senators, this will be their party affiliations as shown on the election ballot. For Senators not standing for re-election, this will be their party affiliations as reported at the senate.gov website the day before the election.

In the event that the election is delayed or postponed, liquidation will take place in a timely fashion after the close of polling sites for the popular vote.

In the event that the liquidation values of contracts cannot be determined until after run-off elections are completed, liquidation will occur after a sufficient number of run-off elections are completed so as to determine the liquidation values. In this case, we will count the parties of elected representatives as of the date that they won their respective elections. That is, party changes or vacancies that arise between the general election and runoffs will have no effect on IEM contract values.

If there is a vacant senate seat not up for re-election and not filled by the election, that seat will be counted as belonging to the party of the governor of the state of that senate seat after the election.

If a candidate is nominated by more than one party and one of the parties is a major party (Democrat or Republican), that candidate will be counted according to his or her major party affiliation (Democrat or Republican). If none of the parties nominating a candidate are Republican or Democrat, we will count that candidate as Other. If a party goes by multiple designations (such as the Democratic-Farmer-Labor Party of Minnesota) and one of the party designations is a major party (Democrat or Republican), the candidate of that party will be counted according to the party's major party designation (Democrat or Republican). If none of the designated parties are Republican or Democrat, we will count that party's candidate as Other.

Liquidation formulas can be viewed while you are logged into the IEM trading system by clicking on Market Info at the upper left-hand corner of the market window.

The judgment of the IEM Steering Committee will be final in resolving questions of typographical or clerical errors and ambiguities.

Contract Spin-Offs

The IEM reserves the right to introduce new contracts to the market as spin-offs of existing contracts. When a contract spin-off occurs, an original contract will be replaced by new contracts which divide the payoff range of the original contract into sub-intervals.

No holder of the pre-spinoff contracts will be adversely affected. Traders will receive the same number of each of the new contracts as they held in the original, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original. Outstanding bids and asks for the contract which is to be split will be canceled just prior to the spin-off.

Decisions to spin-off a contract will be announced at least two days in advance of the spin-off. The new contract names, the specifications regarding liquidation values and the timing of the spin-off will be included in the announcement. This announcement will appear as an Announcement on your IEMXchange login screen.

Contract Bundles

Fixed price contract bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each fixed price contract bundle is \$1.00. Because exactly one of the listed U.S. Congressional Control contract outcomes will result from the election, the total payoff from holding a contract bundle until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the “Bundle Orders” option from the Trading Console. Select “Congress24” and the radio button “Buy at Fixed Price” from the Bundle Orders list to buy bundles. Select “Congress24” and the radio button “Sell at Fixed Price” to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a market bundle at current ASK prices, use the “Bundle Orders” option as above but select “Congress24” and the radio button “Buy at Market ASK Prices.” To sell a bundle at current market BID prices, select “Congress24” and the radio button “Sell at Market BID Prices.”

Bundle purchases will be charged to your cash account and bundle sales will be credited to your cash account.

This market will remain open until contract liquidation. Liquidation values will be credited to the cash accounts of market participants.

Market Access

Current and newly enrolled IEM traders with U.S. dollar accounts will automatically be given access rights to trade in the 2024 U.S. Congressional Control Market. Access to this market is achieved by logging into the IEM and choosing “Congress24” from the Navigation Bar.

Funds in a trader’s cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time by using the “Adding to Your Investment” link found under “My Account” while logged into the IEM software. New

traders can open accounts using the “Open An Account” button found at the IEM website, <https://iem.uiowa.edu>. There is a one-time account registration fee of \$5.00, and investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM’s Online Withdrawal Request form. Additional information about requesting withdrawals is available at the IEM website at <https://iemweb.biz.uiowa.edu/account-maintenance/withdrawals/>.

Appendix IV: IEM Prospectus: 2024 U.S. House Control Winner-Takes-All Market

On Tuesday, May 9, 2023, the Iowa Electronic Market (IEM) will open trading in a market based on the composition of the U.S. House of Representatives after the 2024 U.S. elections.

This document describes the market and should be viewed as a supplement to the Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Contract liquidation values in this winner-takes-all House Control Market will be determined by whether the Republicans increase the number of seats they hold in the House, maintain an absolute majority but do not increase their lead, or lose the absolute majority. The contract that represents the actual outcome of the election will have a liquidation value of \$1.00. All other contracts will expire worthless.

Contracts

The financial contracts initially traded in this market are:

Code	Contract Description
RH.gain24	\$1 if the Republicans have more than 222 House seats; \$0 otherwise
RH.hold24	\$1 if Republicans have more than 217 but no more than 222 House seats; \$0 otherwise
RH.lose24	\$1 if Republicans have 217 or fewer House seats; \$0 otherwise

The contract RH.gain24 represents the outcome that Republicans increase the number of U.S. House seats they hold. For purposes of initial seat count, we used the number of Republican seats in the U.S. House of Representatives won in the 2022 election. This number is 222 seats.

<https://www.nytimes.com/interactive/2022/11/08/us/elections/results-house.html>

Thus, the RH.gain24 contract represents the outcome that Republicans hold more than 222 House seats after the 2024 election.

The contract RH.hold24 represents the outcome that Republicans maintain an absolute majority in the House, but do not increase their control; that is, Republicans have more than 217 and less than or equal to 222 House seats.

The contract RH.lose24 represents the outcome that Republicans lose an absolute majority in the House (have 217 or fewer House seats).

All references to “seats” in this document are to voting seats in the House of Representatives and specifically exclude those non-voting seats held by Representatives from American Samoa, Guam, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia.

Determination of Liquidation Values

This market is a winner-takes-all market. The contract that denotes the actual outcome of the election will have a \$1.00 liquidation value; all others will expire worthless. For example, if as a result of the 2024 elections, Republicans hold 220 House seats, the contract RH.hold24 will pay off \$1.00 and the contracts RH.gain24 and RH.lose24 will each expire worthless.

The election data posted on the New York Times official website at 5pm on Wednesday, November 6, 2024, or as soon after as available, will be the official source used to determine the results of the election. In the event that the results are not reported at that website by midnight, Wednesday, November 6, 2024, the Washington Post official website will become the official source. Should neither source report 2024 election results by midnight Wednesday, the information reported in the print version of the New York Times on Thursday, November 7, 2024, or as soon thereafter as reported, will be used.

For purposes of determining payoffs, we will use the composition of the House for the 119th Congress as determined by each member’s party affiliation at the time of the election.

In the event that the election is delayed or postponed, liquidation will take place in a timely fashion after the close of polling sites for the popular vote.

In the event that the liquidation values of contracts cannot be determined until after run-off elections are completed, liquidation will occur after a sufficient number of run-off elections are completed so as to determine the liquidation values. In this case, we will count the parties of elected representatives as of the date that they won their respective elections. That is, party changes or vacancies that arise between the general election and runoffs will have no effect on IEM contract values.

If a candidate is nominated by more than one party and one of the parties is a major party (Democrat or Republican), that candidate will be counted according to his or her major party affiliation (Democrat or Republican). If a party goes by multiple designations (such as the Democratic-Farmer-Labor Party of Minnesota) and one of the party designations is a major party (Democrat or Republican), the candidate of that party will be counted according to the party’s major party designation (Democrat or Republican).

The judgment of the IEM Steering Committee will be final in resolving questions of typographical or clerical errors and ambiguities.

Contract Spin-Offs

The IEM Steering Committee reserves the right to introduce new contracts to the market as spin-offs of existing contracts. When a contract spin-off occurs, an original contract will be replaced by new contracts which divide the payoff range of the original contract into sub-intervals.

No holder of the pre-spinoff contracts will be adversely affected. Traders will receive the same number of each of the new contracts as they held in the original, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original. Outstanding limit orders to buy or sell the contract which is to be spun-off will be canceled just prior to the spin-off.

Decisions to spin-off a contract will be announced at least two days in advance of the spin-off. The new contract names, the specifications regarding liquidation values and the timing of the spin-off will be included in the announcement. This announcement will appear as an Announcement on your IEMXchange login screen.

Contract Bundles

Fixed price contract bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each fixed price contract bundle is \$1.00. Because exactly one of the listed U.S. House Control contract outcomes will result from the election, the total payoff from holding a contract bundle until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the "Bundle Orders" option from the Trading Console. Select "House24" and the radio button "Buy at Fixed Price" from the Bundle Orders list to buy bundles. Select "House24" and the radio button "Sell at Fixed Price" to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a contract bundle at current ASK prices, use the "Bundle Orders" option as above but select "House24" and the radio button "Buy at Market ASK Prices." To sell a contract bundle at current market BID prices, select "House24" and the radio button "Sell at Market BID Prices."

Bundle purchases will be charged to your cash account and bundle sales will be credited to your cash account.

This market will remain open until contract liquidation. Liquidation values will be credited to the cash accounts of market participants.

Market Access

Current and newly enrolled IEM traders with U.S. dollar accounts will automatically be given access rights to trade in the 2024 U.S. House Control Market. Access to this market is achieved by logging into the IEM and choosing “House24” from the Navigation Bar.

Funds in a trader’s cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time. New traders can open accounts using the IEM Online Account Application page at <https://iem.uiowa.edu>. There is a one-time account activation fee of \$5.00. Investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM’s Online Withdrawal Request form. Additional information about requesting withdrawals is available at the IEM website at <https://iemweb.biz.uiowa.edu/account-maintenance/withdrawals/>.

Appendix V: IEM Prospectus: 2024 U.S. Senate Control Winner-Takes-All Market

On Tuesday, May 9, 2023, the Iowa Electronic Market (IEM) will open trading in a market based on the composition of the U.S. Senate after the 2024 U.S. elections.

This document describes the market and should be viewed as a supplement to the Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Contract liquidation values in this winner-takes-all Senate Control Control market will be determined by the number of seats won by members of the Democratic, Republican, and other parties in the Senate.

Initially, three contracts will trade in this market, each representing one of three possible unique and exhaustive outcomes. The liquidation value of the contract which represents the actual outcome of the election will be \$1.00. All other contracts will have a value of zero.

Contracts

The financial contracts initially traded in this market are:

Code	Contract Description
DS.24	\$1 if Democrats hold 50 Senate seats plus the Vice Presidency or more than 50 Senate seats; \$0 otherwise
RS.24	\$1 if the Republicans hold 50 Senate seats plus the Vice Presidency or more than 50 Senate seats; \$0 otherwise
OS.24	\$1 if the Republicans hold fewer than 50 Senate seats and the Democrats hold fewer than 50 Senate seats; \$0 otherwise

The contract DS.24 represents the outcome that the Democrats hold more than 50 U.S. Senate seats or 50 U.S. Senate seats and the Vice Presidency. The contract RS.24 represents the outcome that Republicans hold more than 50 U.S. Senate seats or 50 U.S. Senate seats and the Vice Presidency. The contract OS.24 contracts represents the outcome that neither Democrats nor Republicans hold more than half the seats in the U.S. Senate as defined above.

Determination of Liquidation Values

This market is a winner-takes-all market. The contract that denotes the actual outcome of the election will have a \$1.00 liquidation value; all others will expire worthless. For example, if as a result of the

elections, Republicans hold more than 50 Senate seats, the contract RS.24 will pay off \$1.00 and the contracts DS.24 and OS.24 will each expire worthless.

The election data posted on the New York Times official website at 5pm on Wednesday, November 6, 2024, or as soon after as available, will be the official source used to determine the results of the election. In the event that the results are not reported at that website by midnight, Wednesday, November 6, 2024, the Washington Post official website will become the official source. Should neither source report 2024 election results by midnight Wednesday, the information reported in the print version of the New York Times on Thursday, November 7, 2024, or as soon thereafter as reported, will be used.

For purposes of determining payoffs, we will use the composition of the Senate as determined by each member's party affiliation at the time of the election. For newly elected Senators, their affiliations will be determined by the party affiliations as shown on the election ballot. For Senators not standing for re-election, their affiliations will be determined by their party affiliations as reported at the senate.gov website the evening before the election.

In the event that the election is delayed or postponed, liquidation will take place in a timely fashion after the close of polling sites for the popular vote.

In the event that the liquidation values of contracts cannot be determined until after run-off elections are completed, liquidation will occur after a sufficient number of run-off elections are completed so as to determine the liquidation values. In this case, we will count the parties of elected senators as of the date that they won their respective elections and we will count the parties of senators not up for re-election as of the date of the general election. That is, party changes or vacancies that arise between the general election and runoffs will have no effect on IEM contract values.

If there is a vacant senate seat not up for re-election and not filled by the election, that seat will be counted as belonging to the party of the governor of the state of that senate seat after the election.

If a candidate is nominated by more than one party and one of the parties is a major party (Democrat or Republican), that candidate will be counted according to his or her major party affiliation (Democrat or Republican). If a party goes by multiple designations (such as the Democratic-Farmer-Labor Party of Minnesota) and one of the party designations is a major party (Democrat or Republican), the candidate of that party will be counted according to the party's major party designation (Democrat or Republican).

The judgment of the IEM Steering Committee will be final in resolving questions of typographical or clerical errors and ambiguities.

Contract Spin-Offs

The IEM reserves the right to introduce new contracts to the market as spin-offs of existing contracts. When a contract spin-off occurs, an original contract will be replaced by new contracts which divide the payoff range of the original contract into sub-intervals.

No holder of the pre-spinoff contracts will be adversely affected. Traders will receive the same number of each of the new contracts as they held in the original, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original. Outstanding limit orders to buy or sell the contract which is to be spun-off will be canceled just prior to the spin-off.

Decisions to spin-off a contract will be announced at least two days in advance of the spin-off. The new contract names, the specifications regarding liquidation values and the timing of the spin-off will be included in the announcement. This announcement will appear as an Announcement on your IEMXchange login screen.

Contract Bundles

Fixed price contract bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each fixed price contract bundle is \$1.00. Because exactly one of the listed U.S. Senate Control contract outcomes will result from the election, the total payoff from holding a contract bundle until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the "Bundle Orders" option from the Trading Console. Select "Senate24" and the radio button "Buy at Fixed Price" from the Bundle Orders list to buy bundles. Select "Senate24" and the radio button "Sell at Fixed Price" to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a contract bundle at current ASK prices, use the "Bundle Orders" option as above but select "Senate24" and the radio button "Buy at Market ASK Prices." To sell a contract bundle at current market BID prices, select "Senate24" and the radio button "Sell at Market BID Prices."

Bundle purchases will be charged to your cash account and bundle sales will be credited to your cash account.

This market will remain open until contract liquidation. Liquidation values will be credited to the cash accounts of market participants.

Market Access

Current and newly enrolled IEM traders with U.S. dollar accounts will automatically be given access rights to trade in the 2024 U.S. Senate Control Market. Access to this market is achieved by logging into the IEM and choosing "Senate24" from the Navigation Bar.

Funds in a trader's cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time. New traders can open accounts using the IEM Online Account Application page at <https://iem.uiowa.edu>. There is a one-time account activation fee of \$5.00. Investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM's Online Withdrawal Request form. Additional information about requesting withdrawals is available at the IEM website at <https://iemweb.biz.uiowa.edu/account-maintenance/withdrawals/>.

Appendix VI: IEM Prospectus: 2024 Democratic Convention Nomination Market

On Wednesday, May 10, 2023, the Iowa Electronic Markets (IEM) will open trading in a market based on the Presidential nomination process of the 2024 Democratic National Convention.

This document describes that market and should be viewed as a supplement to the Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Contract liquidation values in this nomination market will be determined by the outcome of the 2024 Democratic National Convention. At market open, there are four contracts in this market representing four possible unique outcomes. Other contracts may be added to this market according to the contract spin-off procedure described below. The liquidation value of the contract which represents the actual outcome of the 2024 Democratic Convention will be \$1.00. All other contracts will have a value of \$0.00.

Contracts

The initial financial contracts traded in this market are:

Code	Contract Description
JBID_N24	\$1.00 if Joe Biden wins the 2024 Democratic Convention nomination; \$0.00 otherwise
KHAR_N24	\$1.00 if Kamala Harris wins the 2024 Democratic Convention nomination; \$0.00 otherwise
RKEN_N24	\$1.00 if Robert F. Kennedy, Jr. wins the 2024 Democratic Convention nomination; \$0.00 otherwise
DROF_N24	\$1.00 if another candidate wins the 2024 Democratic Convention nomination; \$0.00 otherwise

DROF_N24 stands for Democratic Convention Rest of Field and represents all candidates not separately listed in this market.

As the 2024 Presidential campaign progresses, new candidate-specific contracts may be introduced as spinoffs of the DROF_N24 contract as described below. The order in which contracts appear on the trading screen may also change. However, once a contract is listed it will remain active until after the convention when all contracts in the market are liquidated.

Determination of Liquidation Values

This is a Winner-Takes-All market. The contract that denotes the actual outcome of the 2024 Democratic Convention will have a liquidation value of \$1.00, all others will have values of \$0.00.

The contract, JBID_N24, will be liquidated for \$1.00 after the 2024 Democratic Convention if Joe Biden is elected by the convention delegates as the official Democratic nominee for the presidency. If he is not named as the Democratic nominee, the liquidation value of the JBID_N24 contract will be \$0.00.

Similarly, other candidate-specific contracts will be liquidated for \$1.00 or \$0.00 depending upon whether or not the associated candidate becomes the Democratic Presidential nominee. The contract DROF_N24 will have a liquidation value of \$1.00 if some candidate not listed in this market is the Democratic Convention nominee; its liquidation value will be \$0.00 if one of the listed candidates is the nominee.

The New York Times website will be the official source for nomination results.

Liquidation formulas can be viewed while you are logged into the IEM trading system by clicking on the market name, DCONV24, at the upper righthand corner of the market window.

The judgment of the IEM Steering Committee will be final in resolving questions of interpretation and typographical or clerical errors.

Contract Spin-Offs

The IEM reserves the right to introduce new contracts to the market as spin-offs of the DROF_N24 contract. When a contract spin-off occurs, each DROF_N24 contract will be replaced by two new contracts: a candidate-specific Democratic nominee contract and a new DROF_N24 contract. The new DROF_N24 contract will represent all remaining un-named Democratic candidates in the market.

No trader of pre-spinoff DROF_N24 contracts will be adversely affected. Traders will receive the same number of each of the new contracts as they held in the original contract, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original contract. Because the value of the DROF_N24 contracts may change when new candidate-specific contracts are spun off, all outstanding DROF_N24 bids and asks will be canceled at the time of the spinoff.

Decisions to spin-off contracts will be based on the judgment of the IEM Steering Committee. One input into the decision will be the degree of national news coverage of the candidate indicating the

candidate's viability. National news sources to be used include The Los Angeles Times, The New York Times, USA Today, The Wall Street Journal, and The Washington Post.

Spin-offs will be announced at least two days in advance. The new contract names, the specifications regarding liquidation values and the timing of the spin-off will be included in the announcement. This announcement will appear as an Announcement on your IEMXchange login screen.

Contract Bundles

Fixed-price bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each bundle is \$1.00. Because only one official Democratic nominee will result from the convention process, the total payoff from holding a bundle consisting of one of each contract until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the "Bundle Orders" option from the Trading Console. Select "D CONV24" and the radio button "Buy at Fixed Price" from the Bundle Orders list to buy bundles. Select "D CONV24" and the radio button "Sell at Fixed Price" to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a contract bundle at current ASK prices, use the "Bundle Orders" option as above but select "D CONV24" and the radio button "Buy at Market ASK Prices." To sell a contract bundle at current market BID prices, select "D CONV24" and the radio button "Sell at Market BID Prices."

Market Closing

This market will close at 12:00PM, C.D.T. the day after the final Presidential nomination ballot at the Democratic Convention. At that time, or as soon thereafter as results are available, liquidation values will be declared and funds credited to the cash accounts of market participants.

Market Access

All current and newly enrolled IEM traders with US dollar denominated accounts will automatically be given trading rights in the 2024 Democratic National Convention Market. Access to the market is achieved by choosing D CONV24 in the "Market Selection" pull-down menu on either the Login-Welcome screen or at the bottom of the Trading Screen.

Funds in a trader's cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time. New traders can open accounts using the IEM Online Account Application. There is a one-time account registration fee of \$5.00, and investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM's Online Withdrawal Request form. Additional information about requesting withdrawals is available at iemweb.biz.uiowa.edu/account-maintenance/withdrawals/.

Appendix VII: IEM Prospectus: 2024 Republican Convention Nomination Market

On Wednesday, May 10, 2023, the Iowa Electronic Markets (IEM) will open trading in a market based on the Presidential nomination process of the 2024 Republican National Convention.

This document describes that market and should be viewed as a supplement to the Trader's Manual. Except as specified in this prospectus, trading rules for this market are the same as those specified in the Trader's Manual for the Iowa Electronic Market.

Contract liquidation values in this nomination market will be determined by the outcome of the 2024 Republican National Convention. At market open, there are four contracts in this market representing four possible unique outcomes. Other contracts may be added to this market according to the contract spin-off procedure described below. The liquidation value of the contract which represents the actual outcome of the 2024 Republican Convention will be \$1.00. All other contracts will have a value of \$0.00.

Contracts

The initial financial contracts traded in this market are:

Code	Contract Description
RDES_N24	\$1.00 if Ronald D. DeSantis wins the nomination; \$0.00 otherwise
NHAL_N24	\$1.00 if Nikki Haley wins the nomination; \$0.00 otherwise
DTRU_N24	\$1.00 if Donald J. Trump wins the nomination; \$0.00 otherwise
RROF_N24	\$1.00 if another candidate wins the 2024 Republican Convention nomination; \$0.00 otherwise

RROF_N24 stands for Republican Convention Rest of Field and represents all candidates not separately listed in this market.

As the 2024 Presidential campaign progresses, new candidate-specific contracts may be introduced as spinoffs of the RROF_N24 contract as described below. The order in which contracts appear on the trading screen may also change. However, once a contract is listed it will remain active until after the convention when all contracts in the market are liquidated.

Determination of Liquidation Values

This is a Winner-Takes-All market. The contract that denotes the actual outcome of the 2024 Republican Convention will have a liquidation value of \$1.00, all others will have values of \$0.00.

The contract, RDES_N24, will be liquidated for \$1.00 after the 2024 Republican Convention if Ronald DeSantis is elected by the convention delegates as the official Republican nominee for the presidency. If he is not named as the Republican nominee, the liquidation value of the RDES_N24 contract will be \$0.00. Similarly, other candidate-specific contracts will be liquidated for \$1.00 or \$0.00 depending upon whether or not the associated candidate becomes the Republican Presidential nominee. The contract RROF_N24 will have a liquidation value of \$1.00 if some candidate not listed in this market is the Republican Convention nominee; its liquidation value will be \$0.00 if one of the listed candidates is the nominee.

The New York Times website will be the official source for nomination results.

Liquidation formulas can be viewed while you are logged into the IEM trading system by clicking on the market name, RCONV24, at the upper righthand corner of the market window.

The judgment of the IEM Steering Committee will be final in resolving questions of interpretation and typographical or clerical errors.

Contract Spin-Offs

The IEM Steering Committee reserves the right to introduce new contracts to the market as spin-offs of the RROF_N24 contract. When a contract spin-off occurs, each RROF_N24 contract will be replaced by two new contracts: a candidate-specific Republican nominee contract and a new RROF_N24 contract. The new RROF_N24 contract will represent all remaining un-named Republican candidates in the market.

No trader of pre-spinoff RROF_N24 contracts will be adversely affected. Traders will receive the same number of each of the new contracts as they held in the original contract, and the sum of the liquidation values of the new contracts will equal the liquidation value of the original contract. Because the value of the RROF_N24 contracts may change when new candidate-specific contracts are spun off, all outstanding RROF_N24 bids and asks will be canceled at the time of the spinoff.

Decisions to spin-off contracts will be based on the judgment of the IEM Steering Committee. One input into the decision will be the degree of national news coverage of the candidate indicating the candidate's viability. National news sources to be used include The Los Angeles Times, The New York Times, USA Today, The Wall Street Journal, and The Washington Post.

Spin-offs will be announced at least two days in advance. The new contract names, the specifications regarding liquidation values and the timing of the spin-off will be included in the announcement. This announcement will appear as an Announcement on your IEMXchange login screen.

Contract Bundles

Fixed-price bundles consisting of one share of each of the contracts in this market can be purchased from or sold to the IEM system at any time. The price of each bundle is \$1.00. Because only one official Republican nominee will result from the convention process, the total payoff from holding a bundle consisting of one of each contract until the market closes is \$1.00.

To buy or sell fixed price contract bundles from the system, use the “Bundle Orders” option from the Trading Console. Select “RCONV24” and the radio button “Buy at Fixed Price” from the Bundle Orders list to buy bundles. Select “RCONV24” and the radio button “Sell at Fixed Price” to sell bundles.

Bundles consisting of one share of each of the contracts in this market may also be purchased and sold at current aggregate market prices rather than the fixed price of \$1.00. To buy a contract bundle at current ASK prices, use the “Bundle Orders” option as above but select “RCONV24” and the radio button “Buy at Market ASK Prices.” To sell a contract bundle at current market BID prices, select “RCONV24” and the radio button “Sell at Market BID Prices.”

Market Closing

This market will close at 12:00PM, C.D.T. the day after the final Presidential nomination ballot at the Republican Convention. At that time, or as soon thereafter as results are available, liquidation values will be declared and funds credited to the cash accounts of market participants.

Market Access

All current and newly enrolled IEM traders with US dollar denominated accounts will automatically be given trading rights in the 2024 Republican National Convention Market. Access to the market is achieved by choosing RCONV24 in the “Market Selection” pull-down menu on either the Login-Welcome screen or at the bottom of the Trading Screen.

Funds in a trader’s cash account are fungible across markets so new investment deposits are not required. Additional investments up to the maximum of \$500 can be made at any time. New traders can

open accounts using the IEM Online Account Application. There is a one-time account registration fee of \$5.00, and investments are limited to the range of \$5.00 to \$500.

Requests to withdraw funds may be submitted at any time by completing the IEM's Online Withdrawal Request form. Additional information about requesting withdrawals is available at iemweb.biz.uiowa.edu/account-maintenance/withdrawals/.