

## ACCOUNT APPLICATION FOR: INDIVIDUAL

January 2024

Office Code	Account No.

# INSTRUCTIONS

## Instructions for Opening an Account with Straits Financial LLC

1. Read and sign the required documentation in SECTION 1. Provide all required supporting documentation by account type.
2. Where required, read and sign one or more documents from SECTION 2.
3. Read through Straits Financial LLC Disclosure Booklet, initial applicable boxes on the signature page, and sign in SECTION 3.
4. Read and sign the applicable tax form from SECTION 4.

All questions on completing the documents should be directed to your Straits Financial LLC Account Executive/Introducing Broker, or to Straits New Accounts Department. Email to [accounts@straitfinancial.com](mailto:accounts@straitfinancial.com) or by phone at +1.312.706.7937.

## SECTION 1

### Complete All Forms

Account Application - Individuals  
Customer Agreement

page 2  
page 4

### Required Supporting Documents by Account Type

- .. U.S. Federal regulations require all non-US authorized traders and non-US Applicant signers to provide one of the following forms of identification: *A copy of your Passport, Driver's License or Government issued Identification Card. If the identification card does not provide an address, then please provide a copy of a recent utility bill or top portion of a financial or credit card statement to confirm your address.*

## SECTION 2

### Complete If Applicable Or Required By Straits Financial LLC

Account Transfer Request Form  
Hedge Agreement  
Managed Account Authorization / Power of Attorney (Section A) / Authorization to Remit Funds (Section B)  
Managed Account Controller Statement (Section C) / Customer Acknowledgement (Section D)

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page 13  
page 14  
page 15

## SECTION 3

### Disclosures and Sign off

Disclosures  
Disclosure Signature page

page 16  
page 29

## SECTION 4

### Internal Revenue Service Certifications

#### For U.S. Applicants:

- IRS Form W-9: Each U.S. applicant must complete the IRS Form W-9

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#### For non-U.S. Applicants: sign one of the following

- IRS Form W-8BEN

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See [www.irs.gov](http://www.irs.gov) for details and instructions on filling out the following forms if they apply to you.

- IRS Form W-8ECI: Certificate of Foreign Person's claim that income is effectively connected with the conduct of trade/business in the U.S.
- IRS Form W-8EXP: Certificate of Foreign Government or other Foreign Organization for U.S. Tax Withholding
- IRS Form W-8IMY: Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or certain U.S. Branches for U.S. Tax Withholding

## FUNDING YOUR ACCOUNT

**Checks:** Make all checks payable to Straits Financial LLC.

**Wires:** Contact your Account Executive/IB or Straits Treasury Department at +1 312.846.5696 or [treasury@straitfinancial.com](mailto:treasury@straitfinancial.com) for current wiring instructions.

Straits Financial LLC does not accept Money Orders or Third-party Checks or Wires.

All funds deposited into your Straits Financial LLC account must be from the account owner listed on the account documents.

Once you have completed the account forms, you may return the entire booklet to:

Straits Financial LLC  
311 S. Wacker Drive, Suite 980  
Chicago, IL 60606, USA

Or

Straits Financial LLC can also accept a scanned or printed copy of the application via:

email at [accounts@straitfinancial.com](mailto:accounts@straitfinancial.com) or  
fax at +1.312.461.1003

# INDIVIDUAL

Account Rep	
Office Code	Sales Code

All fields must be completed. Please indicate N.A if it is not applicable.

Customer Name

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## CUSTOMER

Address

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City	State/Province	Zip	Country
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Date of Birth	SSN / Tax ID #	Country of Citizenship	Marital Status
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- Single
- Married

Number of Dependents	Primary Phone #	Secondary Phone #
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Email	Occupation	Source of income if retired
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Employer (if retired list prior information)	Nature of Business	Work Address
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City	State	Zip	Country
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### Individual Owner / Financial Information

Annual Income	Liquid Assets	Net Worth
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### Trading Experience - (check all that apply)

- Years of experience:
- a. Futures \_\_\_\_\_
  - b. Options on Futures \_\_\_\_\_
  - c. Foreign Exchange \_\_\_\_\_
  - d. Securities/Bonds \_\_\_\_\_

List firm where you have traded and if the account(s) is active.

- |          |                                 |
|----------|---------------------------------|
| 1. _____ | Active <input type="checkbox"/> |
| 2. _____ | <input type="checkbox"/>        |
| 3. _____ | <input type="checkbox"/>        |
| 4. _____ | <input type="checkbox"/>        |

**ADDITIONAL INFORMATION**

- 1. Does any other person or entity have any direct or indirect ownership in the entity opening this futures account? If Yes, list name(s) and ownership(s):  Yes  No

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- 2. Does Applicant(s) control the trading in any other Straits Financial LLC account? If Yes, please list Names & Account Numbers:  Yes  No

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- 3. Is Applicant(s) regulated by any financial services government regulators? If Yes, please specify:  Yes  No

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- 4. Is Applicant(s) or any of its Principals or Affiliates presently a Member of any Exchange? If Yes, list Exchanges and Membership type(s):  Yes  No

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- 5. Will the account be Traded or Managed by anyone else under Power of Attorney? If Yes, Please list Power of Attorney and complete enclosed POA documents:  Yes  No

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- 6. Does Applicant(s) have or ever had any litigation, arbitration, disputed accounts, unpaid debit balances or unresolved matters with any futures or securities brokers or foreign currency dealers or has bankruptcy been filed? If Yes, please provide details in a separate attachment.  Yes  No

**MODE OF DELIVERY FOR TRADE AND MONTHLY STATEMENTS**

Unless you specifically choose hard copy mailed statements, all Trade and Monthly Statements and any correspondence from Straits will be sent to you via the email address listed on this application. **You may revoke your consent to receive statements electronically at any time.** A processing charge will apply to hard copy mailings at a rate of \$1.50 per mailed paper statement.

Please check one:  Electronic  Hard Copy

Send Duplicate Statements to:      Name      Relationship to Applicant(s)      Email

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Address      City

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State      Zip      Country

**PLEASE READ AND SIGN BELOW**

**ALL ACCOUNT HOLDERS MUST SIGN**

THE UNDERSIGNED APPLICANT(S) CONFIRMS TO STRAITS FINANCIAL LLC THAT THE FOREGOING INFORMATION CONTAINED IN THIS APPLICATION FORM AND ANY INFORMATION SEPARATELY PROVIDED HEREWITH IS TRUE AND CORRECT. THE APPLICANT(S) AGREES TO NOTIFY STRAITS FINANCIAL LLC IN THE EVENT THAT THE INFORMATION CONTAINED IN THIS APPLICATION FORM OR SEPARATELY PROVIDED HEREWITH CHANGES.

Signature 1

X

Print Name

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Title (if applicable)      Date

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## CUSTOMER AGREEMENT

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In consideration of Straits Financial LLC ("Straits") accepting and maintaining one or more accounts for the undersigned Customer ("Customer") and acting as broker for execution, clearing, and/or carrying of transactions, Straits and the undersigned Customer agrees as follows:

### 1. Definitions.

In this Customer Agreement, the term "**Agreement**" means this Customer Agreement and any other ancillary agreements, schedules, disclosures, and instruments relating to or referring to this Agreement. "**Straits**" means Straits Financial LLC. "**Straits Parties**" means Straits, its members, managers, employees, associated persons, agents, parents, and affiliates including but not limited to Straits Financial Structured Products LLC ("SFSP"). "**Commodity Interests**" means commodity futures contracts, commodity option contracts, cash commodities, and all other transactions related thereto. "**Applicable Law**" means any applicable law, regulation, or rule or regulation of applicable governmental bodies and agencies as well as self-regulatory organizations including without limitation, Chicago Mercantile Exchange, National Futures Association, and any exchanges on which transactions in Commodity Interests are executed or cleared.

### 2. Relationship.

Customer authorizes Straits to purchase and sell Commodity Interests for Customer's account in accordance with Customer's (or Customer's commodity trading advisor(s) or other authorized account controller(s)) oral, written or **electronic** instructions. Customer further authorizes Straits, for the account of Customer, to make such advances and expend such monies and, whenever applicable to borrow and deliver such monies or securities or properties as may be required with respect to such transactions.

### 3. Risk.

Customer acknowledges that trading in Commodity Interests is highly speculative and leveraged and involves an **extremely** high level of risk in rapidly fluctuating markets. Despite such risks, Customer agrees to assume the risks of trading in Commodity Interests. Customer acknowledges and confirms that Customer has read and understands the risk disclosures delivered to Customer along with this Agreement.

### 4. Accounts; Transfer of Funds Consent.

**Straits will hold one or more accounts for Customer on the books of Straits. Customer authorizes Straits to co-margin**

**or cross margin, set off, or transfer funds, securities, or other property to, between or among any of Customer's segregated, secured futures or non-regulated accounts on the books of Straits (including without limitation, accounts having the same beneficial owners) at Straits. Straits in its sole discretion, may transfer funds or other property in such accounts as may be necessary to satisfy margin calls, debit balances, or for such other reasons as Straits in its discretion deems necessary.** In addition to the foregoing, and notwithstanding any provision in this Agreement to the contrary, Straits shall have the right and authorization to transfer funds, balances or amounts between or among any account(s) for Customer on the books of Straits, on the one hand, to SFSP, on the other hand, upon prior (verbal or written) instruction or authorization to Straits from Customer or Customer's introducing broker ("IB"). Such general right and authorization to transfer shall be in effect and applicable regardless of how any such account(s) may be held, maintained, carried or accounted for on the books and records of Straits or SFSP, including but not limited to accounts held as house accounts, journal entry accounts or other non-customer accounts. at SFSP or otherwise in the name of SFSP.

### 5. Indemnification.

Customer hereby agrees to indemnify, defend and hold Straits Parties harmless against and from any and all claims, suits, proceedings, arbitrations, investigations, disciplinary proceedings, fines, penalties, losses, costs, **and** damages (including without limitation costs and reasonable attorney's fees) (the foregoing are herein referred to as "Claims"), sustained by Straits arising out of or in connection with, directly or indirectly; (a) any action or omission by Customer; (b) any breach of any representation, warranty or covenant of Customer in this Agreement; (c) any violation or alleged violation by Customer of Applicable Law; (d) any loss or theft of Customer's login credentials for access to Straits' System (as defined herein); (e) any act or omission of any commodity trading advisor or third party account controller engaged by Customer to manage Customer's account; (f) any debit balance in Customer's account; (g) any transfer of funds as described in Section 4 above; and (h) any claim, allegation or cause of action alleging or related to Straits being a bank, saving and loan association, or trust company, or engaging in the business of banking under Article 4A of the Uniform Commercial Code, as amended,

or otherwise under Applicable Law. Customer shall pay all debit balances in Customer's account (together with interest on debit balances at the rate determined by adding two percent (2%) to the rate announced from time to time by BMO Harris Bank, per annum for the entire period the debit shall remain unpaid, plus all costs of collection, including reasonable legal fees. If Straits Parties seek indemnification from Customer for a Claim, Straits shall provide Customer with notice of the Claim; however, Customer's indemnification obligations shall not be affected by any failure to provide such notice except to the extent that the failure materially prejudices the ability of Customer to defend the Claim. Notwithstanding anything to the contrary in this Agreement, Customer shall not compromise any Claim or enter into any settlement agreement that assigns or apportions any liability or fault to or gives rise to any cost to or obligation of Straits without Straits' written consent.

#### 6. Interest.

In accordance with CFTC Regulation 1.29, Straits may receive and retain as its own property any incremental income or interest resulting investment of funds held in the Customer's account.

#### 7. Commissions & Fees.

Customer agrees to pay to Straits any commissions and charges in effect from time to time and other costs incurred by Straits by carrying the account of Customer. Customer agrees that Straits may debit Customer's account for brokerage, commissions, and other fee charges, and for charges for any other services rendered by Straits, including all payments made on behalf of **Customer**, which may vary from time to time, without advance notice to Customer. If Customer's account is introduced to Straits by an IB, Customer understands that IB may charge Customer commissions and transaction fees in addition to Straits commissions and fees for servicing Customer's account. In addition, Customer understands that commissions charged by Straits may be higher than they would otherwise be in the absence of an IB, and that Straits may share commissions with IBs on terms that are not disclosed to Customer. Customer agrees to pay any such additional fees or commissions, including but not limited to those charged for taking and/ or making deliveries, interest, exchange and NFA fees, and commissions and fees charged for the transfer of the Customer's positions and account to another firm.

#### 8. Margins.

Customer shall deposit with Straits sufficient funds to meet all margin requirements as established by applicable exchanges from time to time. Customer acknowledges and agrees that Straits may establish margin requirements from time to time in its sole and absolute discretion which may exceed margin requirements set by applicable exchanges. Straits has no obligation to apply the same margin requirements uniformly to all customers. Straits may reject any order if Customer does not have sufficient margin on

deposit and may not allow the processing of any order while determining the correct margin **status** of the Customer's account. Customer shall, without notice or demand, maintain adequate margins at all times so as to continuously meet the margin requirements established by Straits. Customer agrees, when requested by Straits, to immediately wire transfer funds to adequately maintain margins and to furnish Straits with the names of bank officers for immediate confirmation of such transfers. FOR PURPOSES OF THIS SECTION, "IMMEDIATELY" SHALL BE DEEMED TO BE ONE (1) HOUR, OR LESS THAN ONE (1) HOUR IF, IN STRAITS' SOLE DISCRETION, MARKET CONDITIONS OR ACCOUNT ACTIVITY OR STATUS WARRANT. Choosing not to demand wire transfer of funds or the acceptance of funds by mail shall not constitute a waiver of the right of Straits to demand wire transfer of funds at any time. If at any time Customer's account does not contain the amount of margin required, Straits may, in its sole and absolute discretion, without notice or demand to Customer, close out (or cause Customer's IB or other third party to close out) Customer's open positions in whole or in part, manually or by automated means (including by use of an auto liquidation system), or take any other action it deems necessary to reduce risk or satisfy such margin requirements. Customer shall be solely responsible for any losses in open positions, including but not limited to liens as a result of such liquidation. Failure of Straits to close out open positions in whole or in part shall not constitute a waiver of its rights to do so at any time thereafter, nor shall Straits be subject to any liability to Customer for its acts or Straits' failure to so act.

#### 9. Security Interest; Transfer Authorization; Setoff.

Customer hereby grants Straits a **senior**, paramount security interest and lien upon all monies, securities, negotiable instruments, open positions in Commodity Interests, and all receipts or other documents representing underlying commodities, including without limitation warehouse receipts, and all commodities represented by such receipts or other documents or other property now or at any future time held in Customer's account or which may be in Straits' possession for any purpose, including without limitation safekeeping, to secure payment of all obligations of Customer to Straits under this Agreement. Straits may at any time, in its sole and absolute discretion take any action to protect such security interest and lien, liquidate any of the above-mentioned items in order to satisfy any margin or account deficiencies including but not limited to debit balances, and may transfer the property or assets to the general ledger account of Straits or pledge, transfer or lend such items, all without advance notice to Customer or liability on the part of Straits to Customer or any third party. Customer also grants a security interest to Straits on all proceeds which now or at any time may come into the Customer's account. Customer agrees to execute any and all documents, including without limitation, Uniform Commercial Code financing statements, deemed necessary or advisable by Straits in its sole discretion to evidence or perfect such security interest.

In addition to other rights set forth in this Agreement, Straits, without advance notice to Customer, shall also have full authority to set off all property and assets and Commodity Interests held by Straits for Customer's segregated, secured or non-regulated accounts against any and all claims which Straits may have against Customer. In addition, Customer hereby authorizes Straits at any time and from time to time, without prior notice to Customer, to transfer from any account of Customer maintained at Straits or at any exchange member through which Straits clears customer transactions, such excess funds, securities, Commodity Interests, and other property of Customer as Straits' in its sole discretion determines may be required for margin in any other such account of Customer, or to reduce, satisfy or offset any debit balances in any other account of Customer, provided such transfer complies with Applicable Law.

#### **10. Deliveries.**

Prior to the first notice day in the case of long positions in futures or forward contracts and prior to the last trading day in the case of short positions in futures or forward contracts, Customer agrees either to give Straits instructions to liquidate or make or take delivery of such futures or forward contracts. Customer understands and acknowledges that additional risks exist when participating in the delivery process. As such, Customer agrees to deposit such additional funds as Straits requires and to provide any documents Straits deems necessary including, but not limited to, proof of ability to accept or make delivery. Straits may require Customer to maintain 100% of the underlying cash value of a contract prior to its first notice day or expiration day. Should such margin or documentation not be timely received, Straits may exercise its right to liquidate such positions in such contracts. Any such liquidation shall be performed in Straits' sole discretion. If at any time Customer shall be unable to deliver to Straits any cash, security, commodity or other property previously sold by Straits on Customer's behalf, Customer authorizes Straits, in Straits' sole discretion, to borrow or buy and deliver the same, all at Customer's expense. In the event Straits takes delivery of any security, other property or commodity for Customer's account, Customer agrees to indemnify and hold Straits harmless from and against any loss it may suffer resulting, directly or indirectly, from any decline in value of said security, commodity or other property.

#### **11. Options.**

CUSTOMER WILL NOT PURCHASE A PUT OR CALL UNLESS CUSTOMER IS ABLE TO SUSTAIN THE TOTAL LOSS OF THE PREMIUM AND RELATED TRANSACTION COSTS. CUSTOMER WILL NOT SELL (WRITE) A CALL OR PUT OPTION UNLESS CUSTOMER EITHER HAS AN OFF-SETTING POSITION IN THE UNDERLYING FUTURES CONTRACT OR IS ABLE TO WITHSTAND SUBSTANTIAL FINANCIAL LOSSES. Customer agrees that Customer is fully responsible for taking action to exercise an option contract. Straits shall not be required to take any action with respect to an option contract, including without limitation any action to exercise a valuable option

prior to its expiration date, except upon express instructions from Customer. Customer understands that exchanges have established option exercise cut off times for the tender of exercise instructions, and that Customer's options may become worthless in the event that Customer does not provide instructions promptly. Customer also understands that some exchanges may automatically exercise long in the money options pursuant to the regulations of such exchange. Customer further understands and agrees that Straits' cut-off times may differ from the times established by the exchanges, and Customer hereby agrees to waive any and all claims for damage or loss which might arise out of an option not being exercised. Straits is not responsible for providing information regarding option expiration dates and assignment notification. Additionally, Straits is not responsible for any errors or omissions regarding such information. Customer understands that certain short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned. Notices of assignment are allocated on a random basis among all customers' short option positions which are subject to exercise. Straits may charge commissions and fees on options exercised as well as upon expiration of an option.

#### **12. Market Information.**

Customer acknowledges that any recommendations or information communicated to Customer does not constitute an offer to sell or the solicitation of an offer to buy any Commodity Interests. Straits makes no representation, warranty, or guarantee as to, and shall not be responsible for the accuracy or completeness of, any information or trading recommendations furnished to Customer by or from any source. Customer understands that Straits and/or the IB or IB's associated person, if applicable, may have a position in and may intend to buy or sell Commodity Interests which are the subject of market recommendations furnished to Customer, and that the market position of Straits and/or the IB may or may not be consistent with the recommendations furnished to Customer by Straits and/or the IB.

#### **13. Reporting and Position Limits.**

Customer shall comply with all reporting requirements and position limits established by Applicable Law and by Straits. Customer agrees that Straits, in its sole discretion, may establish trading limits for Customer's account and may limit the number of open positions (net or gross), which Customer may execute, clear, and/or maintain in Customer's account(s). Customer agrees (i) not to exceed such limits, (ii) that Customer will reduce positions upon Straits' demand, (iii) that Straits may refuse to accept orders or establish new positions, and (iv) that Straits may place an account on liquidation-only. Straits may impose and enforce such limits, reduction, or refusal whether or not it is required by Applicable Law. Approval of hedge margins does not exempt an account from abiding by speculative position limits. To be exempt from such limits, Customer shall file a request for and receive written approval of such hedge exemption from the CFTC or any other applicable

regulatory authority and provide a copy of the approval to Straits. In addition, Customer agrees to immediately notify Straits if Customer is required to file position reports with any regulatory or exchange or if Customer is required to reduce positions by notice (directly or indirectly) from any regulator or exchange and agrees to provide Straits with copies of such reports or notices.

#### **14. Exchanges.**

Unless otherwise specified, Straits is authorized to execute such orders upon any exchange or other place which may be deemed by Straits, in its sole discretion, to be reasonable or desirable.

#### **15. Account Liquidation.**

In the event (a) of Customer's death or, in the case of a joint account, the death of the last survivor thereof; (b) of a decision to dissolve and/ or liquidate by a corporate Customer, which decision shall be immediately communicated to Straits; (c) of the filing of a bankruptcy petition by or against Customer; (d) of the institution of any other insolvency proceeding by or against Customer; (e) of the appointment of a receiver for Customer or for any of the assets of Customer; (f) an attachment is levied against Customer's account; (g) a notice of levy with respect to Customer's account is served on Straits by any taxing authority; (h) Customer fails to timely meet any margin calls; (i) information provided by Customer is found to be false or incomplete; or j) Straits, for any reason whatsoever, deems itself reasonably insecure or if otherwise necessary for Straits' reasonable protection, then Straits is hereby authorized, in its sole discretion, to liquidate any or all of the Commodity Interests or other property of Customer and/ or cancel any outstanding orders, in order to close out any commitment made on behalf of Customer, all without any liability to Straits. Further, Straits may, at its option, cause an open position of Customer to be offset or "spread" by an earlier or deferred contract in the event Straits determines the existing position cannot be satisfactorily liquidated because the market is up or down the limit or due to other market conditions or other considerations. Customer further agrees that Straits may cause Customer's IB or commodity trading advisor or other third party account controller, without notice or demand to Customer, to close out Customer's open positions in whole or in part, manually or electronically. Straits' actions described above may be made without prior notice to Customer or Customer's heirs, administrators, legal representatives or assigns, and regardless of whether the account is owned solely by Customer or held jointly with others. Notwithstanding which action, if any, is taken by Straits, Customer shall remain liable for any remaining deficiency or debit balance.

#### **16. IB As Third-Party Beneficiary.**

Customer hereby agrees that any IB who introduced Customer's account to Straits shall be a third-party beneficiary of this Agreement and therefore the obligations of Customer under the Agreement as they relate to Straits or IB shall be directly enforceable by IB against Customer.

#### **17. Reports & Notices.**

Customer agrees to be and remain aware of Customer's transactions, account status, open positions, and other account activity. Should inaccuracies or discrepancies appear on Customer's account statements, confirmation statements, margin calls, or other notices, Customer shall IMMEDIATELY notify Straits Compliance Department of the problem in writing via facsimile to (312) 461-1003 or e-mail to [compliance@straitfinancial.com](mailto:compliance@straitfinancial.com). FAILURE TO NOTIFY STRAITS IMMEDIATELY CONSTITUTES CUSTOMER'S ACCEPTANCE AND RATIFICATION OF ALL TRANSACTIONS FOR CUSTOMER'S PROFIT OR LOSS.

#### **18. Online/Electronic Trading.**

CUSTOMER ACKNOWLEDGES THAT CUSTOMER HAS RECEIVED, REVIEWED AND UNDERSTANDS STRAITS' ELECTRONIC TRADING AND ORDER ROUTING DISCLOSURE STATEMENT. Customer acknowledges all information received and orders placed through Straits' electronic or online systems (hereinafter "System") are at Customer's sole risk. Customer understands that orders may not be first reviewed by Straits' order desk or third-party order desk utilized by Straits. Errors made in the transmission of any order are the sole responsibility of Customer to identify and rectify. Customer acknowledges that there may be position limits set per commodity on the maximum number of contracts on an order.

Customer agrees that Straits is not responsible for any delay or failure to provide online or electronic service through the System or otherwise. Customer further agrees that Straits may terminate Customer's access to the System, or any portion thereof, or, place restrictions upon Customer's trading account or access to the System, at any time.

Customer agrees to IMMEDIATELY notify Straits Compliance Department via facsimile at (312) 461-1003 or email at [compliance@straitfinancial.com](mailto:compliance@straitfinancial.com), of any suspected or actual loss or theft of Customer's login credentials for access to the System. Customer further agrees to IMMEDIATELY notify Straits of any inaccurate account information in any report Customer receives while accessing the System.

Customer agrees Straits shall not be liable for any technical problems or other conditions that may delay or prevent Customer from entering or canceling an order on the System, any technical problems, System failures and malfunctions, communication line failures, equipment or software failures and malfunctions, System access issues, System capacity issues, high Internet traffic demand or other internet related problems, security breaches, theft of Customer's login credentials and other unauthorized access, and any other similar telecommunication problems and defects, as well as severe weather, earthquakes, floods and strikes or other labor problems in connection with the use or attempted use of the System. Customer agrees not to raise or plead any of the foregoing conditions



or circumstances as a defense to any action Straits may take or have against Customer. Straits does not represent or warrant that (a) Customer will be able to access or use the System at all times or locations, or that Straits will have adequate capacity for the System as a whole or in any particular geographic location, (b) the System will be error free, or (c) the System will be free from infection, viruses, worms, Trojan horses or other software code that has destructive properties. Straits Parties shall not be liable to Customer for any loss, cost, damage, or other injury, whether in contract or in tort, arising out of or caused in whole or in part by Straits' or Customer's use of, or reliance on, the System or its content. Straits shall also have the right to suspend service and deny access to the System without prior notice to Customer during scheduled or unscheduled System maintenance, upgrading, or repair, or due to Customer's misuse of the System or other reason within Straits' sole discretion. Customer acknowledges that certain information available on the System may be provided by Straits or by third party data and software providers ("Information Providers"). Customer agrees that Straits shall have no liability for the inaccuracy, completeness, and lack of timeliness of any information concerning Customer's trading and account activity, market quotes, news, charts, and any other information that may be provided from time to time through the System by any Information Providers.

#### **19. Customer Representations.**

Customer represents, warrants, and covenants that: (a) all of the information provided by Customer in connection with this Agreement and in any other Account forms is true, correct and complete as of the date hereof or thereof, as applicable, (b) Customer will promptly notify Straits of any changes to Customer's information, (c) trading in Commodity Interests is authorized by Customer and does not contravene Applicable Law, judgments, orders, or agreements to which Customer is bound or subject, (d) if Customer is a legally cognizable entity such as, without limitation, a corporation, limited liability company, or partnership, it is duly formed and, organized and in good standing under the laws of the state or country in which it is organized and every state and country in which it does business, (e) the actions of the authorized person designated on the Customer Agreement to act for Customer have been authorized by all necessary or appropriate action if applicable, (f) neither Customer nor any of its principals has ever been suspended or barred from trading by the CFTC, Securities Exchange Commission or any self-regulatory organization or exchange. Customer shall notify Straits of any change in such status within two business days of any such change regarding the above-referenced items (a) through (f), and (g) Customer shall not commence any Claim against Straits until any deficit balance in Customer's account is satisfied.

#### **20. Verification.**

Customer authorizes Straits to verify Customer information through third parties including credit reporting agencies or other services as Straits deems appropriate from time to

time to conduct a credit or background check of Customer or for any other purpose in furtherance of this Agreement.

#### **21. Foreign Currency**

Customer acknowledges and agrees that if Customer trades in Commodity Interests on foreign exchanges and such trades are effected in a foreign currency that (a) any profit or loss arising as a result of a fluctuation in the rate of exchange affecting such currency will be entirely for Customer's account and risk, and (b) Straits has the sole discretion to convert funds in Customer's account into and from such foreign currency at a rate of exchange determined by Straits as it deems necessary and proper.

#### **22. Telephone Recording.**

Customer acknowledges, authorizes, and consents to the recording of Customer's telephone conversations with Straits and any IBs and IB's associated person or employees by means of electronic recording devices with or without the use of an automatic signal tone warning device. Customer waives any objection to the admissibility into evidence of such recording in any proceeding between Customer and Straits or in any other proceeding to which Straits is a party or in which Straits' records are subpoenaed or demanded for production by a regulator or any authorized government agency.

#### **23. Joint Account.**

If this is a joint account, Customers agree, jointly and severally, that this Agreement and all representations, warranties and covenants of Customer in this Agreement are made jointly and severally by each Customer. Each of the Customers has the authority to act on behalf of the joint account as if that Customer alone were interested therein, all without notice to the others having an interest in the account, including but not limited to conferral or revocation of authority hereunder. All property in the accounts of any one or more of Customer held or carried by Straits shall be as collateral security and with a general lien thereon for the payment of debts, losses or expenses incurred in the joint account and vice versa, however arising. A joint account can be opened as "tenants in common" or "with right of survivorship." If this is a joint account but not designated as either "tenants in common" or "with right of survivorship," the account shall be deemed to be held as tenants in common.

#### **24. Lending Agreement.**

Customer acknowledges that in the event Customer takes delivery of Commodity Interests, Straits may make full payment for the delivery on limited notice. If the available balance in Customer's account is not adequate to pay for the delivery, the warehouse receipts (representing the delivery) will become property carried on margin in Customer's account, since they are not fully paid for by Customer. Straits is hereby authorized and may, but is not required to, use the warehouse receipts as collateral for a bank loan, the proceeds of which will be used to pay for the

warehouse receipts until re-delivery of the Commodity Interests and/or payment in full by Customer. Customer hereby authorizes Straits from time to time to lend, separately or together with the property of others, either to itself or to others, any property which Straits may be carrying for Customer on margin. This authorization shall apply to all accounts carried by Straits for Customer and shall remain in full force until written notice of revocation is actually received by Straits.

## 25. Repurchase Agreements.

With respect to United States Treasury Bills or other securities Customer may deposit as margin with Straits, Customer authorizes Straits to enter into purchase arrangements with banks and other financial institutions which recognize both the proceeds of the sale and Customer's repurchase rights as Customer assets that must be kept segregated by Straits pursuant to Applicable Law.

## 26. No Guaranty of Profits.

Customer confirms and acknowledges that Straits has made no agreement with Customer or representation guaranteeing profits or limiting losses. Customer affirms that Customer has no separate agreement with Straits or any IB or IB's associated persons regarding the trading in Customer's account, including any agreement to guarantee profits or limit losses in Customer's account. Customer agrees to IMMEDIATELY notify Straits' Compliance Officer in writing as to any agreement of this type. Further, Customer understands that any representations made by anyone concerning Customer's account which differ from any confirmations or trading statements Customer receives from Straits must be brought to the attention of Straits' Compliance Department immediately in writing via facsimile to (312) 461-1003 or e-mail to [compliance@straitsfinancial.com](mailto:compliance@straitsfinancial.com) and shall only be considered received upon written confirmation of receipt by Straits Compliance. Customer understands that Customer must authorize every transaction prior to its execution unless Customer has properly delegated trading discretion to another party in accordance with Applicable Law.

## 27. Termination.

- Straits may, at its option, terminate this Agreement without notice if:
- you die or are subject to any judicial declaration of incompetence;
- you commit a breach of any covenant, term or condition of this Agreement;
- any representation or warranty made by you in this Agreement shall prove to be or have been incorrect or misleading in any material respect;
- you engage in any transaction in violation of any applicable federal or state law or regulation, or otherwise violate any applicable law or regulation;
- you make any assignment in bankruptcy or make any other assignment for the benefit of your creditors, are adjudged bankrupt or file a petition or proposal to take advantage of any act of insolvency;

- there is a seizure of your Account by any federal or state regulatory agency or law enforcement authority; or
- a trustee, receiver, receiver and manager, interim receiver or other entity with similar powers is appointed for you or in respect of all or of any material portion of your property or assets.

## 28. Effect of Termination.

In addition to any other rights under this Agreement, upon termination of this Agreement for any reason whatsoever, Straits shall (i) cancel all your outstanding orders and liquidate all of your open positions; (ii) deduct from your Account all unpaid amounts; and (iii) refund all amounts remaining in the Account, if any.

## 29. LIMITATIONS OF LIABILITY AND LEGAL FEES.

(a) **NO INDIRECT DAMAGES.** CUSTOMER HEREBY AGREES THAT IN NO EVENT SHALL STRAITS HAVE ANY LIABILITY TO CUSTOMER OR TO ANY THIRD PARTY WHATSOEVER, WHETHER IN TORT, CONTRACT, UNDER APPLICABLE LAW OR OTHERWISE, FOR DAMAGES WHICH ARE PUNITIVE, INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR SPECIAL INCLUDING WITHOUT LIMITATION CLAIMS FOR LOST PROFITS OR LOST OPPORTUNITIES, EVEN IF STRAITS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) **LIMITATION ON DIRECT DAMAGES.** CUSTOMER HEREBY AGREES THAT STRAITS SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE TO CUSTOMER OR ANY THIRD PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, FOR DIRECT DAMAGES OF ANY KIND UNLESS STRAITS COMMITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. MOREOVER, STRAITS SHALL NOT BE RESPONSIBLE FOR ANY LOSS OR DAMAGE CAUSED DIRECTLY OR INDIRECTLY, BY ANY EVENTS, ACTIONS OR OMISSIONS BEYOND THE CONTROL OF STRAITS, INCLUDING WITHOUT LIMITATION, LOSS OR DAMAGE RESULTING, DIRECTLY OR INDIRECTLY, FROM ANY DELAYS OR INACCURACIES IN THE TRANSMISSION OF ORDERS OR OTHER INFORMATION DUE TO A BREAKDOWN IN OR FAILURE OF ANY TRANSMISSION OR COMMUNICATION FACILITIES.

(c) **CAP ON DIRECT DAMAGES FROM GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT.** CUSTOMER HEREBY AGREES THAT DIRECT DAMAGES FOR CLAIMS AGAINST STRAITS ARISING OUT OF STRAITS GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT SHALL BE LIMITED TO A MAXIMUM RECOVERY OF THE GREATER OF

- i. FIFTY THOUSAND U.S. DOLLARS (US\$50,000) AND
- ii. THE AMOUNT OF COMMISSIONS PAID BY CUSTOMER TO STRAITS IN CONNECTION WITH

THE ACCOUNT AT ISSUE OVER THE NINETY DAY PERIOD PRECEDING THE DAY ON WHICH CUSTOMER'S ALLEGED CLAIM AGAINST STRAITS AROSE.

- (d) LEGAL FEES IN THE EVENT (A) CUSTOMER INSTITUTES ANY CLAIM AGAINST STRAITS PARTIES, AND STRAITS PARTIES ARE SUCCESSFUL, IN WHOLE OR IN MATERIAL PART, IN DEFENDING SUCH CLAIM OR (B) STRAITS PARTIES BRINGS A CLAIM AGAINST CUSTOMER TO ENFORCE STRAITS PARTIES' RIGHTS UNDER THIS AGREEMENT AND STRAITS PARTIES ARE SUCCESSFUL, IN WHOLE OR IN MATERIAL PART, IN PURSUING SUCH CLAIM, THEN IN ADDITION TO ANY OTHER AMOUNTS PAYABLE TO STRAITS PARTIES, CUSTOMER SHALL REIMBURSE STRAITS PARTIES FOR ALL COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS) INCURRED BY STRAITS PARTIES IN SUCH PROCEEDING.

### 30. Claim Limitations Period.

No claim, including arbitration, and regardless of forum, arising out of or relating to this Agreement, transactions hereunder, or the Account, may be brought by Customer more than six (6) months after the alleged cause of action giving rise to such claim arose (regardless of the date of discovery of the alleged injury), including claims alleging violations of the Commodity Exchange Act or regulations thereunder. Customer understands and acknowledges that the foregoing time limitation is a material inducement for Straits to enter into this Agreement, and Customer accepts and agrees to be bound by such limitation to the fullest extent possible under Applicable Law.

### 31. Waiver of UCC Article 4A.

In consideration of and as a condition of Straits opening and carrying the Account for Customer, Customer agrees and covenants to waive and not to claim, assert, raise or allege, in any pleading or proceeding, whether in an action brought against Straits or as a defense or affirmative defense or counterclaim in any action brought by Straits, that Straits is operating or at any time has operated as a bank, savings and loan association or trust company or engaged in the business of banking under Article 4A of the Illinois Uniform Commercial Code, as amended ("Art. 4A") or any similar or comparable federal law or state law in any other jurisdiction.

### 32. Acknowledgement by Customers of IBs.

If Customer's account has been introduced to Straits by an IB, Customer acknowledges the account is being carried on Straits' books on a "fully disclosed basis." Customer understands that: (a) the IB is authorized to accept only funds that are payable to Straits and no other funds; (b) IB and its associated persons are authorized to instruct Straits to transfer funds: (i) to Customer's non-regulated account(s) on the books of Straits, including without limitation sub-accounts, journal entry accounts or other accounts maintained in Customer's name or beneficially

owned by Customer, or (ii) to SFSP for credit to SFSP's accounts held as house accounts, journal entry accounts or other non-customer accounts; (c) the IB and its associated persons are not controlled by Straits or an agent of Straits; (d) supervision and control of activity in Customer's account rests with the IB subject to Applicable Law; and (e) IB may enter trades or communicate with Straits on behalf of Customer, including assistance with withdrawals, deposits and statements; and (f) commissions charged to Customer are established by the IB.

### 33. Third Party Account Managers

If Customer has granted a power of attorney or letter of direction to a third party, Customer acknowledges and understands that trading in Customer's account will be permitted without Customer's specific authorization for each trade.

### 34. Binding Effect.

This Agreement shall inure to the benefit of Straits, its successors and assigns and shall be binding upon Customer and Customer's personal representatives, executors, trustees, administrators, and permitted assigns.

### 35. Electronic Signatures.

Straits may, at its sole discretion, accept electronic signatures. As such, Customer consents to use of any electronic signature(s) under the Electronic Signatures in Global and National Commerce Act, as amended, or any signatures on documents signed and transmitted by facsimile or electronic mail (e-mail or other electronic means). Customer agrees not to raise use of an electronic signature as a defense to the enforcement of this Agreement or any such documents. The signature of any person or entity on this Agreement or any such documents will be considered as an original signature, and the document transmitted will be considered to have the same binding effect as an original signature on an original document. Customer consents and agrees that Customer's use of a keypad, mouse or other device to select an item, button, icon or similar act/action while using any electronic service Straits offers, or in accessing or making any transactions regarding any agreement, acknowledgment, consent, terms, disclosures or conditions, constitutes Customer's signature, acceptance and agreement as if actually signed by Customer in writing. Further, Customer agrees that no certification authority or other third-party verification is necessary to the enforceability of Customer's signature or any contract between Customer and Straits.

### 36. Amendments.

Straits may unilaterally amend this Agreement by providing at least seven (7) calendar days advance written notice to Customer describing such amendment, and if Customer does not object in writing to Straits within seven (7) calendar days of Straits providing such notice, such amendment shall become effective upon such seventh (7th) calendar day. No provision of this Agreement may be

modified or amended by Customer unless such modification or amendment is in writing and signed by an authorized signatory of Straits.

**37. Assignment.**

This Agreement is not assignable by Customer. Subject to Applicable Law, Straits may assign this Agreement without Customer's prior consent.

**38. Jurisdiction, Venue and Waiver of Jury Trial.**

Customer hereby acknowledges and agrees that this Agreement is deemed made in the State of Illinois. Subject to any Arbitration Agreement between Straits and Customer, Customer agrees that any civil action or other legal proceeding between Straits or its employees, agents, representatives, affiliated brokers and/or associated persons, on the one hand, and Customer, on the other hand, arising out of or relating to this Agreement, transactions hereunder, or Customer's account shall be brought, heard and resolved only in the federal or state courts located in Chicago, Cook County, Illinois, and Customer waives any right to have such proceeding transferred to any other court, dispute resolution forum or location. In addition, Customer waives the right to trial by jury in any such action or proceeding.

**39. Notice and Communication.**

Customer consents to delivery of communications, reports, statements, and other communications from Straits by email, web site portal or other electronic means, subject to compliance with any applicable law. All communications so sent shall be deemed received by Customer personally at the time so sent whether actually received or not. Notices delivered electronically will be considered notice "in writing."

**40. Customer Funds Held Outside the US.**

By depositing funds directly into a Straits Customer Segregated or Customer Secured bank account, Customer acknowledges and authorizes that Customer's funds may be held by Straits at a non-U.S. depository.

Authorized E-Signature 1  
X

Print Name / Title (if applicable) Date

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**41. Bunched Orders; Average Pricing.**

Customer consents to having its discretionary orders bunched for execution with discretionary orders of other customers. Customer further consents to having its trade executions average priced with the trade executions of the other orders included in the bunched order. Customer understands the average price may not be the actual execution price.

**42. Severability**

If any provision of this Agreement is found to be prohibited or invalid under applicable law, such provision shall be ineffective, without invalidating the remaining provisions of this agreement.

THIS ACCOUNT AGREEMENT CONTAINS A CONTRACTUAL AGREEMENT. DO NOT SIGN UNTIL YOU HAVE READ IT CAREFULLY.

**43. Confirmation**

**BY SIGNING THIS AGREEMENT, CUSTOMER ACKNOWLEDGES, AGREES AND CONFIRMS THAT:**

- (a) Customer has received, read carefully and understands this Agreement;
- (b) This Agreement has been negotiated between Customer and Straits and shall not be construed against the party that drafted all or any portion of this Agreement; and
- (c) Without limiting any acknowledgment, agreement, representation or warranty otherwise contained in this Agreement, Customer accepts and agrees to: (i) the venue provisions set forth in Section 36 above; (ii) the time limitations set forth in Section 28 above; and (iii) the waiver and covenants set forth in Section 29 above not to claim, assert or allege that Straits is operating or at any time has operated as a bank, savings and loan association or trust company or engaged in the business of banking under UCC Art. 4A.

# ACCOUNT TRANSFER REQUEST

## TRANSFER ACCOUNT FROM

Name Telephone #

Address

## CUSTOMER INFORMATION

Account Title Telephone #

Address

Account #(s) Account Executive or Introducing Broker

If transfer is only partial, please indicate details:

I / WE HEREBY REQUEST THAT YOU CANCEL ANY PENDING OPEN ORDERS AND TRANSFER IMMEDIATELY ALL OF THE CASH BALANCES, OPEN POSITIONS, MARGIN DEPOSITS, TREASURY BILLS AND/OR ANY OTHER COLLATERAL IN MY (OUR) ACCOUNTS TO:

**STRAITS FINANCIAL LLC - 311 S. Wacker Drive, SUITE 980, CHICAGO, IL 60606**

If joint account or general partnership, all persons must sign. If this is a limited partnership account, the general or managing partner must sign. If an LLC, managing member(s)/members must sign. Authorized officer(s) for a corporation.

**Signature 1**

X

Print Name

Title (if applicable)

Date

**Signature 2**

X

Print Name

Title (if applicable)

Date

PLEASE PROVIDE A CURRENT STATEMENT FROM TRANSFERRING FCM.

# HEDGE AGREEMENT

Unless specified in writing to the contrary, Customer represents, warrants and covenants that all orders and transactions for the purchase or sale of any of the following commodities, commodity futures, and option contracts for Customer's account are "hedging" transactions and positions as defined in Commodity Futures Trading Commission Regulation 1.3(z), as that regulation currently exists and as it may hereafter be amended. These transactions are not for speculation.

Customer represents and warrants to Straits that Customer is familiar with all laws, rules and regulations concerning hedging. Customer understands that this hedge agreement must be terminated, if at all, in writing. CFTC Regulations require that Straits provide an opportunity for Customer to specify when entering into its first hedging transaction whether, in the event of Strait's insolvency, the Customer prefers that open commodity contracts held in a hedging account be liquidated by the trustee. Thus, Customer must indicate below Customer's preference if such an unlikely event were to occur.

Customer prefers that, in the unlikely event of Straits' insolvency, the trustee:  
(check one)

- Attempts to contact the undersigned for instructions as to the disposition of the open contracts in the indicated hedge account
- Liquidates open commodity contracts in the undersigned's hedge account without seeking instructions.

Commodities to be traded in this account for bona fide hedging purposes only, include (list all that apply):

Commodity	Economic Justification
_____	_____
_____	_____
_____	_____

All account holders must sign.

**Signature 1**

X

Print Name

\_\_\_\_\_

Title (if applicable)

Date

\_\_\_\_\_

**MANAGED ACCOUNT AUTHORIZATION / POWER OF ATTORNEY (SECTION A)**  
**AUTHORIZATION TO REMIT FUNDS (SECTION B)**  
**MANAGED ACCOUNT CONTROLLER STATEMENT (SECTION C)**  
**CUSTOMER ACKNOWLEDGEMENT (SECTION D)**

**MANAGED ACCOUNT AUTHORIZATION / POWER OF ATTORNEY (SECTION A)**

The undersigned hereby appoints \_\_\_\_\_ to act as the undersigned's agent and attorney-in-fact (the "Controller") to buy, sell (including short sales and liquidations) and otherwise deal in Commodity Interests, as that term is defined in the Customer Agreement between the undersigned and Straits (as "Straits" is defined in the Customer Agreement), on margin or otherwise all in the Controller's sole discretion for the benefit or detriment of the undersigned's account and at the undersigned's sole.

Straits is hereby authorized to follow the instructions of the Controller concerning the undersigned's account with Straits and the Controller is hereby authorized to act for the undersigned and on the undersigned's behalf in the same manner and with the same force and effects as the undersigned might or could do with respect to such purchases, sales or trades as well as with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales or trades.

The undersigned hereby ratifies and confirms any and all transactions heretofore or hereafter made by the Controller for the undersigned's account. This authorization and indemnity is in addition to (and in no way limits or restricts) any rights which Straits may have under the Customer Agreement or any other agreement or agreements between Straits and the undersigned. This authorization and indemnity is also a continuing one and shall remain in full force and effect until revoked by the undersigned by a written notice addressed to and actually received by Straits via e-mail to accounts@straitfinancial.com. Such revocation shall not affect any liability in any way resulting from transactions initiated prior to such revocation.

The undersigned acknowledges and understands that Straits is in no way responsible for any loss to the undersigned occasioned by the actions of the Controller and that Straits does not expressly or impliedly endorse the trading or operating methods of the Controller.

All account holders must sign.

**Signature 1**

X

Print Name

\_\_\_\_\_

Title (if applicable)

Date

\_\_\_\_\_

**AUTHORIZATION TO REMIT FUNDS (SECTION B)**

Customer must sign below if Customer authorizes Controller to receive fee payments from Customer's account.

The undersigned hereby authorizes Straits to remit funds from the undersigned's account upon the written presentation and demand of the undersigned's Controller. The undersigned agrees that Straits shall not be responsible for verification of the accuracy of any invoice or demand by the Controller.

Notwithstanding anything in this authorization to the contrary, Straits shall have the right to refuse payment of an invoice or other written demand for payment of the Controller for any reason including without limitation if Straits determines in its sole discretion that payment of such an invoice or compliance with such a demand would affect proper margining requirements.

**Signature 1**

X

Print Name

\_\_\_\_\_

Title (if applicable)

Date

\_\_\_\_\_

**Signature 2**

X

Print Name

\_\_\_\_\_

Title (if applicable)

Date

\_\_\_\_\_

**MANAGED ACCOUNT CONTROLLER STATEMENT (SECTION C)**

If Customer's account is managed by a Controller, then Customer must provide a written statement from the Controller stating that it is properly registered to act as a Controller or explaining why the Controller is not required to be registered.

Controller's Name

\_\_\_\_\_

Email

\_\_\_\_\_

Address

\_\_\_\_\_


City	State	Zip	Social Security # or Tax ID #
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Telephone #	Employer	Occupation	Relationship to Customer
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\_\_\_\_\_

Controller hereby represents and warrants to Straits that Controller has reviewed the registration requirements of the Commodity Exchange Act and regulations thereunder and the National Futures Association and (a) is properly registered as needed to act as the Controller, or (b) is exempt from registration for the following reason(s) below:

- a) Controller has provided advice to 15 or fewer persons during the past 12 months and does not hold itself out to the public as a Commodity Trading Advisor.
- b) Controller is a (1) dealer, processor, broker or seller in cash market transactions or (2) non-profit, voluntary membership, general farm organization, who provides advice on the sale or purchase of commodities, and any trading advice is solely incidental to the conduct of this business.
- c) Controller is registered in another capacity and Controller's advice is solely incidental to Controller's principal business or profession.
- d) Controller is not a citizen of the United States, is located outside the United States, and only solicits or exercises discretionary trading authority over the accounts of non-United States persons.
- e) Controller is a relative of the applicant.

<b>Managed Account Controller Signature</b>  
--

Date \_\_\_\_\_

**CUSTOMER ACKNOWLEDGEMENT (SECTION D)**

The undersigned Customer acknowledges that the Controller is not registered as a commodity trading advisor and is not required to provide Customer with a disclosure document for the reason indicated above.

All account holders must sign

<b>Signature 1</b>  
---

Print Name

\_\_\_\_\_

Title (if applicable)	Date
-----------------------	------

\_\_\_\_\_



## RISK DISCLOSURES FOR FUTURES AND OPTIONS

THE RISK OF LOSS IN TRADING COMMODITY FUTURES CONTRACTS CAN BE SUBSTANTIAL. YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR CIRCUMSTANCES AND FINANCIAL RESOURCES. YOU SHOULD BE AWARE OF THE FOLLOWING POINTS:

### FUTURES

1. YOU MAY SUSTAIN A TOTAL LOSS OF THE FUNDS THAT INSTRUMENTS THAT A FUTURES COMMISSION MERCHANT MAY YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN A INVEST CUSTOMER FUNDS IN. POSITION IN THE COMMODITY FUTURES MARKET, AND YOU MAY INCUR LOSSES BEYOND THESE AMOUNTS. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUIRED FUNDS WITHIN THE TIME REQUIRED BY YOUR BROKER, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.
2. THE FUNDS YOU DEPOSIT WITH A FUTURES COMMISSION MERCHANT FOR TRADING FUTURES POSITIONS ARE NOT PROTECTED BY INSURANCE IN THE EVENT OF THE BANKRUPTCY OR INSOLVENCY OF THE FUTURES COMMISSION MERCHANT, OR IN THE EVENT YOUR FUNDS ARE MISAPPROPRIATED.
3. THE FUNDS YOU DEPOSIT WITH A FUTURES COMMISSION MERCHANT FOR TRADING FUTURES POSITIONS ARE NOT PROTECTED BY THE SECURITIES INVESTOR PROTECTION CORPORATION EVEN IF THE FUTURES COMMISSION MERCHANT IS REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION AS A BROKER OR DEALER.
4. THE FUNDS YOU DEPOSIT WITH A FUTURES COMMISSION MERCHANT ARE GENERALLY NOT GUARANTEED OR INSURED BY A DERIVATIVES CLEARING ORGANIZATION IN THE EVENT OF THE BANKRUPTCY OR INSOLVENCY OF THE FUTURES COMMISSION MERCHANT, OR IF THE FUTURES COMMISSION MERCHANT IS OTHERWISE UNABLE TO REFUND YOUR FUNDS. CERTAIN DERIVATIVES CLEARING ORGANIZATIONS, HOWEVER, MAY HAVE PROGRAMS THAT PROVIDE LIMITED INSURANCE TO CUSTOMERS. YOU SHOULD INQUIRE OF YOUR FUTURES COMMISSION MERCHANT WHETHER YOUR FUNDS WILL BE INSURED BY A DERIVATIVES CLEARING ORGANIZATION AND YOU SHOULD UNDERSTAND THE BENEFITS AND LIMITATIONS OF SUCH INSURANCE PROGRAMS.
5. THE FUNDS YOU DEPOSIT WITH A FUTURES COMMISSION MERCHANT ARE NOT HELD BY THE FUTURES COMMISSION MERCHANT IN A SEPARATE ACCOUNT FOR YOUR INDIVIDUAL BENEFIT. FUTURES COMMISSION MERCHANTS COMMINGLE THE FUNDS RECEIVED FROM CUSTOMERS IN ONE OR MORE ACCOUNTS AND YOU MAY BE EXPOSED TO LOSSES INCURRED BY OTHER CUSTOMERS IF THE FUTURES COMMISSION MERCHANT DOES NOT HAVE SUFFICIENT CAPITAL TO COVER SUCH OTHER CUSTOMERS' TRADING LOSSES.
6. THE FUNDS YOU DEPOSIT WITH A FUTURES COMMISSION MERCHANT MAY BE INVESTED BY THE FUTURES COMMISSION MERCHANT IN CERTAIN TYPES OF FINANCIAL INSTRUMENTS THAT HAVE BEEN APPROVED BY THE COMMISSION FOR THE PURPOSE OF SUCH INVESTMENTS. PERMITTED INVESTMENTS ARE LISTED IN COMMISSION REGULATION 1.25 AND INCLUDE: U.S. GOVERNMENT SECURITIES; MUNICIPAL SECURITIES; MONEY MARKET MUTUAL FUNDS; AND CERTAIN CORPORATE NOTES AND BONDS. THE FUTURES COMMISSION MERCHANT MAY RETAIN THE INTEREST AND OTHER EARNINGS REALIZED FROM ITS INVESTMENT OF CUSTOMER FUNDS. YOU SHOULD BE FAMILIAR WITH THE TYPES OF FINANCIAL
7. FUTURES COMMISSION MERCHANTS ARE PERMITTED TO DEPOSIT CUSTOMER FUNDS WITH AFFILIATED ENTITIES, SUCH AS AFFILIATED BANKS, SECURITIES BROKERS OR DEALERS, OR FOREIGN BROKERS. YOU SHOULD INQUIRE AS TO WHETHER YOUR FUTURES COMMISSION MERCHANT DEPOSITS FUNDS WITH AFFILIATES AND ASSESS WHETHER SUCH DEPOSITS BY THE FUTURES COMMISSION MERCHANT WITH ITS AFFILIATES INCREASES THE RISKS TO YOUR FUNDS.
8. YOU SHOULD CONSULT YOUR FUTURES COMMISSION MERCHANT CONCERNING THE NATURE OF THE PROTECTIONS AVAILABLE TO SAFEGUARD FUNDS OR PROPERTY DEPOSITED FOR YOUR ACCOUNT.
9. UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET REACHES A DAILY PRICE FLUCTUATION LIMIT ("LIMIT MOVE").
10. ALL FUTURES POSITIONS INVOLVE RISK, AND A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN AN OUTRIGHT "LONG" OR "SHORT" POSITION.
11. THE HIGH DEGREE OF LEVERAGE (GEARING) THAT IS OFTEN OBTAINABLE IN FUTURES TRADING BECAUSE THE SMALL MARGIN REQUIREMENTS CAN WORK AGAINST YOU AS WELL AS FOR YOU. LEVERAGE (GEARING) CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.
12. IN ADDITION TO THE RISKS NOTED IN THE PARAGRAPHS ENUMERATED ABOVE, YOU SHOULD BE FAMILIAR WITH THE FUTURES COMMISSION MERCHANT YOU SELECT TO ENTRUST YOUR FUNDS FOR TRADING FUTURES POSITIONS. THE COMMODITY FUTURES TRADING COMMISSION REQUIRES EACH FUTURES COMMISSION MERCHANT TO MAKE PUBLICLY AVAILABLE ON ITS WEB SITE FIRM SPECIFIC DISCLOSURES AND FINANCIAL INFORMATION TO ASSIST YOU WITH YOUR ASSESSMENT AND SELECTION OF A FUTURES COMMISSION MERCHANT. INFORMATION REGARDING THIS FUTURES COMMISSION MERCHANT MAY BE OBTAINED BY VISITING OUR WEB SITE. [HTTPS://US.STRAITSFINANCIAL.COM/STRAITS-CUSTOMER-DEPOSITS/](https://us.straitsfinancial.com/straits-customer-deposits/)

### OPTIONS

#### VARIABLE DEGREE OF RISK

13. TRANSACTIONS IN OPTIONS CARRY A HIGH DEGREE OF RISK. PURCHASERS AND SELLER OF OPTIONS SHOULD FAMILIARIZE THEMSELVES WITH THE TYPE OF OPTION (I.E., PUT OR CALL) WHICH THEY CONTEMPLATE TRADING AND THE ASSOCIATED RISKS. YOU SHOULD CALCULATE THE EXTENT TO WHICH THE VALUE OF THE OPTIONS MUST INCREASE FOR YOUR POSITION TO BECOME PROFITABLE, TAKING INTO ACCOUNT THE PREMIUM AND ALL TRANSACTION COSTS.

**14.** THE PURCHASER OF OPTIONS MAY OFFSET OR EXERCISE THE OPTIONS OR ALLOW THE OPTIONS TO EXPIRE. THE EXERCISE OF AN OPTION RESULTS EITHER IN A CASH SETTLEMENT OR IN THE PURCHASER ACQUIRING OR DELIVERING THE UNDERLYING INTEREST. IF THE OPTION IS ON A FUTURE, THE PURCHASER WILL ACQUIRE A FUTURES POSITION WITH ASSOCIATED LIABILITIES FOR MARGIN (SEE THE SECTION ON FUTURES ABOVE). IF THE PURCHASED OPTIONS EXPIRE WORTHLESS, YOU WILL SUFFER A TOTAL LOSS OF YOUR INVESTMENT WHICH WILL CONSIST OF THE OPTION PREMIUM PLUS TRANSACTION COSTS. IF YOU ARE CONTEMPLATING PURCHASING DEEP-OUT-OF-THE-MONEY OPTIONS, YOU SHOULD BE AWARE THAT THE CHANCE OF SUCH OPTIONS BECOMING PROFITABLE IS ORDINARILY REMOTE.

**15.** SELLING ('WRITING' OR 'GRANTING') AN OPTION GENERALLY ENTAILS CONSIDERABLY GREATER RISK THAN PURCHASING OPTIONS. ALTHOUGH THE PREMIUM RECEIVED BY THE SELLER IS FIXED, THE SELLER MAY SUSTAIN A LOSS WELL IN EXCESS OF THAT AMOUNT. THE SELLER WILL BE LIABLE FOR ADDITIONAL MARGIN TO MAINTAIN THE POSITION IF THE MARKET MOVES UNFAVORABLY. THE SELLER WILL ALSO BE EXPOSED TO THE RISK OF THE PURCHASER EXERCISING THE OPTION AND THE SELLER WILL BE OBLIGATED TO EITHER SETTLE THE OPTION IN CASH OR TO ACQUIRE OR DELIVER THE UNDERLYING INTEREST. IF THE OPTION IS ON A FUTURE, THE SELLER WILL ACQUIRE A POSITION IN A FUTURE WITH ASSOCIATED LIABILITIES FOR MARGIN (SEE THE SECTION ON FUTURES ABOVE). IF THE POSITION IS 'COVERED' BY THE SELLER HOLDING A CORRESPONDING POSITION IN THE UNDERLYING INTEREST OR A FUTURE OR ANOTHER OPTION, THE RISK MAY BE REDUCED. IF THE OPTION IS NOT COVERED, THE RISK OF LOSS CAN BE UNLIMITED.

**16.** CERTAIN EXCHANGES IN SOME JURISDICTIONS PERMIT DEFERRED PAYMENT OF THE OPTION PREMIUM, EXPOSING THE PURCHASER TO LIABILITY FOR MARGIN PAYMENTS NOT EXCEEDING THE AMOUNT OF THE PREMIUM. THE PURCHASER IS STILL SUBJECT TO THE RISK OF LOSING THE PREMIUM AND TRANSACTION COSTS. WHEN THE OPTION IS EXERCISED OR EXPIRES, THE PURCHASER IS RESPONSIBLE FOR ANY UNPAID PREMIUM OUTSTANDING AT THAT TIME.

#### **ADDITIONAL RISKS COMMON TO FUTURES AND OPTIONS TERMS AND CONDITIONS OF CONTRACTS**

**17.** YOU SHOULD ASK THE FIRM WITH WHICH YOU DEAL ABOUT THE TERM AND CONDITIONS OF THE SPECIFIC FUTURES OR OPTIONS WHICH YOU ARE TRADING AND ASSOCIATED OBLIGATIONS (E.G., THE CIRCUMSTANCES UNDER WHICH YOU MAY BECOME OBLIGATED TO MAKE OR TAKE DELIVERY OF THE UNDERLYING INTEREST OF A FUTURES CONTRACT AND, IN RESPECT OF OPTIONS, EXPIRATION DATES AND RESTRICTIONS ON THE TIME FOR EXERCISE). UNDER CERTAIN CIRCUMSTANCES THE SPECIFICATIONS OF OUTSTANDING CONTRACTS (INCLUDING THE EXERCISE PRICE OF AN OPTION) MAY BE MODIFIED BY THE EXCHANGE OR CLEARING HOUSE TO REFLECT CHANGES IN THE UNDERLYING INTEREST.

#### **SUSPENSION OR RESTRICTION OF TRADING AND PRICING RELATIONSHIPS**

**18.** MARKET CONDITIONS (E.G., ILLIQUIDITY) AND/OR THE OPERATION OF THE RULES OF CERTAIN MARKETS (E.G., THE SUSPENSION OF TRADING IN ANY CONTRACT OR CONTRACT MONTH BECAUSE OF PRICE LIMITS OR 'CIRCUIT BREAKERS') MAY INCREASE THE RISK OF LOSS BY MAKING IT DIFFICULT OR IMPOSSIBLE TO EFFECT TRANSACTIONS OR LIQUIDATE/OFFSET POSITIONS. IF YOU HAVE SOLD OPTIONS, THIS MAY INCREASE THE RISK OF LOSS.

**19.** FURTHER, NORMAL PRICING RELATIONSHIPS BETWEEN THE UNDERLYING INTEREST AND THE FUTURE, AND THE UNDERLYING INTEREST AND THE OPTION MAY NOT EXIST. THIS CAN OCCUR WHEN, FOR EXAMPLE, THE FUTURES CONTRACT UNDERLYING THE OPTION IS SUBJECT TO PRICE LIMITS WHILE THE OPTION IS NOT.

THE ABSENCE OF AN UNDERLYING REFERENCE PRICE MAY MAKE IT DIFFICULT TO JUDGE 'FAIR' VALUE.

#### **DEPOSITED CASH AND PROPERTY**

**20.** YOU SHOULD FAMILIARIZE YOURSELF WITH THE PROTECTIONS ACCORDED MONEY OR OTHER PROPERTY YOU DEPOSIT FOR DOMESTIC AND FOREIGN TRANSACTIONS, PARTICULARLY IN THE EVENT OF A FIRM INSOLVENCY OR BANKRUPTCY. THE EXTENT TO WHICH YOU MAY RECOVER YOUR MONEY OR PROPERTY MAY BE GOVERNED BY SPECIFIED LEGISLATION OR LOCAL RULES. IN SOME JURISDICTIONS, PROPERTY WHICH HAS BEEN SPECIFICALLY IDENTIFIABLE AS YOUR OWN WILL BE PRO-RATED IN THE SAME MANNER AS CASH FOR PURPOSES OF DISTRIBUTION IN THE EVENT OF A SHORTFALL.

#### **COMMISSION AND OTHER CHARGES**

**21.** BEFORE YOU BEGIN TO TRADE, YOU SHOULD OBTAIN A CLEAR EXPLANATION OF ALL COMMISSION, FEES AND OTHER CHARGES FOR WHICH YOU WILL BE LIABLE. THESE CHARGES WILL AFFECT YOUR NET PROFIT (IF ANY) OR INCREASE YOUR LOSS.

#### **CURRENCY RISKS**

**22.** THE PROFIT OR LOSS IN TRANSACTIONS IN FOREIGN CURRENCY-DENOMINATED CONTRACTS (WHETHER THEY ARE TRADED IN YOUR OWN OR ANOTHER JURISDICTION) WILL BE AFFECTED BY FLUCTUATIONS IN CURRENCY RATES WHERE THERE IS A NEED TO CONVERT FROM THE CURRENCY DENOMINATION OF THE CONTRACT TO ANOTHER CURRENCY.

#### **TRADING FACILITIES**

**23.** MOST OPEN-OUTCRY AND ELECTRONIC TRADING FACILITIES ARE SUPPORTED BY COMPUTER-BASED COMPONENT SYSTEMS FOR THE ORDER-ROUTING, EXECUTION, MATCHING, REGISTRATION OR CLEARING OF TRADES. AS WITH ALL FACILITIES AND SYSTEMS, THEY ARE VULNERABLE TO TEMPORARY DISRUPTION OR FAILURE. YOUR ABILITY TO RECOVER CERTAIN LOSSES MAY BE SUBJECT TO LIMITS ON LIABILITY IMPOSED BY THE SYSTEM PROVIDER, THE MARKET, THE CLEARING HOUSE AND/OR MEMBER FIRMS. SUCH LIMITS MAY VARY; YOU SHOULD ASK THE FIRM WITH WHICH YOU DEAL FOR DETAILS IN THIS RESPECT.

#### **ELECTRONIC TRADING**

**24.** TRADING ON AN ELECTRONIC TRADING SYSTEM MAY DIFFER NOT ONLY FROM TRADING IN AN OPEN-OUTCRY MARKET BUT ALSO FROM TRADING ON OTHER ELECTRONIC TRADING SYSTEMS. IF YOU UNDERTAKE TRANSACTIONS ON AN ELECTRONIC TRADING SYSTEM, YOU WILL BE EXPOSED TO RISK ASSOCIATED WITH THE SYSTEM INCLUDING THE FAILURE OF HARDWARE AND SOFTWARE. THE RESULT OF ANY SYSTEM FAILURE MAY BE THAT YOUR ORDER IS EITHER NOT EXECUTED ACCORDING TO YOUR INSTRUCTIONS OR IS NOT EXECUTED AT ALL.

#### **OFF-EXCHANGE TRANSACTIONS**

**25.** IN SOME JURISDICTIONS, AND ONLY THEN IN RESTRICTED CIRCUMSTANCES, FIRMS ARE PERMITTED TO EFFECT OFF-EXCHANGE TRANSACTIONS. THE FIRM WITH WHICH YOU DEAL MAY BE ACTING AS YOUR COUNTERPARTY TO THE TRANSACTION. IT MAY BE DIFFICULT OR IMPOSSIBLE TO LIQUIDATE AN EXISTING POSITION, TO ASSESS THE VALUE, TO DETERMINE A FAIR PRICE OR TO ASSESS THE EXPOSURE TO RISK. FOR THESE REASONS, THESE TRANSACTIONS MAY INVOLVE INCREASED RISKS. OFF-EXCHANGE TRANSACTIONS MAY BE LESS REGULATED OR SUBJECT TO A SEPARATE REGULATORY REGIME. BEFORE YOU UNDERTAKE SUCH TRANSACTIONS, YOU SHOULD FAMILIARIZE YOURSELF WITH APPLICABLE RULES AND ATTENDANT RISKS.

**ALL OF THE POINTS NOTED ABOVE APPLY TO ALL FUTURES TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE OF THE FOLLOWING ADDITIONAL RISKS:**

**26.** FOREIGN FUTURES TRANSACTIONS INVOLVE EXECUTING AND CLEARING TRADES ON A FOREIGN EXCHANGE. THIS IS THE CASE EVEN IF THE FOREIGN EXCHANGE IS FORMALLY "LINKED" TO A DOMESTIC EXCHANGE, WHEREBY A TRADE EXECUTED ON ONE EXCHANGE LIQUIDATES OR ESTABLISHES A POSITION ON THE OTHER EXCHANGE. NO DOMESTIC ORGANIZATION REGULATES THE ACTIVITIES OF A FOREIGN EXCHANGE, INCLUDING THE EXECUTION, DELIVERY, AND CLEARING OF TRANSACTIONS ON SUCH AN EXCHANGE, AND NO DOMESTIC REGULATOR HAS THE POWER TO COMPEL ENFORCEMENT OF THE RULES OF THE FOREIGN EXCHANGE OR THE LAWS OF THE FOREIGN COUNTRY. MOREOVER, SUCH LAWS OR REGULATIONS WILL VARY DEPENDING ON THE FOREIGN COUNTRY IN WHICH THE TRANSACTION OCCURS. FOR THESE REASONS, CUSTOMERS WHO TRADE ON FOREIGN EXCHANGES MAY NOT BE AFFORDED CERTAIN OF THE PROTECTIONS WHICH APPLY TO DOMESTIC TRANSACTIONS, INCLUDING THE RIGHT TO USE DOMESTIC ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. IN PARTICULAR, FUNDS RECEIVED FROM CUSTOMERS TO MARGIN FOREIGN FUTURES TRANSACTIONS MAY NOT BE PROVIDED THE SAME PROTECTIONS AS FUNDS RECEIVED TO MARGIN FUTURES TRANSACTIONS ON DOMESTIC EXCHANGES. BEFORE YOU TRADE, YOU SHOULD FAMILIARIZE YOURSELF WITH THE FOREIGN RULES WHICH WILL APPLY TO YOUR PARTICULAR TRANSACTION.

**27.** FINALLY, YOU SHOULD BE AWARE THAT THE PRICE OF ANY FOREIGN FUTURES OR OPTION CONTRACT AND, THEREFORE, THE POTENTIAL PROFIT AND LOSS RESULTING THEREFROM MAY BE AFFECTED BY ANY FLUCTUATION IN THE FOREIGN EXCHANGE RATE BETWEEN THE TIME THE ORDER IS PLACED AND THE FOREIGN FUTURES CONTRACT IS LIQUIDATED OR THE FOREIGN OPTION CONTRACT IS LIQUIDATED OR EXERCISED.

**THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE COMMODITY MARKETS.**

## DISCLOSURE OF FUTURES COMMISSION MERCHANT MATERIAL CONFLICTS OF INTEREST

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The purpose of this document is to provide you with information about some of the material conflicts of interest that may arise between you and Straits Financial LLC ("Straits") in connection with Straits performing services for you with respect to futures, options on futures, or other commodity derivatives ("Contracts"). Conflicts of interests can arise in particular when Straits has an economic or other incentive to act, or persuade you to act, in a way that favors Straits or its affiliates.

You should be aware that Straits or its affiliates may own stock in, or have some other form of ownership interest in, one or more U.S. or foreign Trading Facilities or Clearing Houses where your transactions in Contracts may be executed and/or cleared. As a result, Straits or its affiliates may receive financial or other benefits related to its ownership interest when Contracts are executed on a given Trading Facility or cleared through a given Clearing House, and Straits would, in such circumstances, have an incentive to cause Contracts to be executed on that Trading Facility or cleared by that Clearing House.

In addition, Trading Facilities and Clearing Houses may from time to time have in place other arrangements that provide their members or participants with volume, market-making or other discounts or credits, may call for members or participants to pre-pay fees based on volume thresholds, or may provide other incentive or arrangements that are intended to encourage market participants to trade on or direct trades to that Trading Facility or Clearing House. Straits or its affiliates may participate in and obtain financial benefits from such incentive programs.

When we provide execution services to you (either in conjunction with clearing services or in an execution-only capacity), we may direct orders to affiliated or unaffiliated market-makers, other executing firms, individual brokers or brokerage groups for execution. When such affiliated or unaffiliated parties are used, they may, where permitted, agree to price concessions, volume discounts or refunds, rebates or similar payments in return for receiving such business. Likewise, where permitted by law and the rules of the applicable Trading Facility, we may solicit a counterparty to trade opposite your order or enter into transactions for its own account or the account of other counterparties that may, at times, be adverse to your interests in a Contract. In such circumstances, that counterparty may make payments and/or pay a commission to Straits in connection with that transaction. The results of your transactions may differ significantly from the results achieved by our affiliates, or for other customers.

In addition, where permitted by applicable law (including, where applicable, the rules of the applicable Trading Facility), Straits, its directors, officers, employees and affiliates may act on the other side of your order or transaction by the purchase or sale for an account, or the execution of a transaction with a counterparty, in which Straits or a person affiliated with Straits has a direct or indirect interest, or may affect any such order with a counterparty that provides Straits or its affiliates with discounts related to fees for Contracts or other products. In cases where we have offered you a discounted commission or clearing fee for Contracts executed through Straits as agent or with its affiliate acting as counterparty, Straits or its affiliate may be doing so because of the enhanced profit potential resulting from acting as executing broker or counterparty.

Straits or its affiliates may act as, among other things, an investor, research provider, placement agent, underwriter, distributor, remarketing agent, structurer, securitizer, lender, investment manager, investment adviser, commodity trading advisor, municipal advisor, market maker, trader, prime broker or clearing broker. In those and other capacities, Straits, its directors, officers, employees and affiliates may take or hold positions in, or advise other customers and counterparties concerning, or publish research or express a view with respect to, a Contract or a related financial instrument that may be the subject of advice from us to you. Any such positions and other advice may not be consistent with, or may be contrary to, your interests or to positions which are the subject of advice previously provided by Straits or its affiliates to you, and unless otherwise disclosed in writing, we are not necessarily acting in your best interest and are not assessing the suitability for you of any Contract or related financial instrument. Acting in one or more of the capacities noted above may give Straits or its affiliates access to information relating to markets, investments and products. As a result, Straits or its affiliates may be in possession of information which, if known to you, might cause you to seek to dispose of, retain or increase your position in one or more Contracts or other financial instruments. Straits and its affiliates will be under no duty to make any such information available to you, except to the extent we have agreed in writing or as may be required under applicable law.

## ELECTRONIC TRADING AND ORDER ROUTING SYSTEM DISCLOSURES\*

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and/or listing contracts you intend to trade.

### DIFFERENCES AMONG ELECTRONIC TRADING SYSTEMS

Trading or routing orders through electronic systems vary widely among the different electronic systems. You should consult the rules and regulations of the exchange offering the electronic system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedure, opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail. The customer acknowledges and confirms that the Customer is aware of the nature of Orders communicated by telephone, facsimile, untested telexes or any other form of electronic communication. The Customer hereby irrevocably authorizes SFLLC and its officers, employees, agents and representatives to act in accordance with the Customer's Orders given by telephone, facsimile, untested telexes or any other form of electronic communication including instant messaging and electronic mail services from the Customer and/or persons authorized in writing by the Customer from time to time, including instructions to transfer/remit funds from the account(s) held with SFLLC to other account(s) or party(ies) where the Customer may not be the beneficiary or sole beneficiary. SFLLC shall have the right to request for any and all information that it deems necessary or expedient to give effect to such Orders.

### RISK ASSOCIATED WITH SYSTEM FAILURE

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure

\* Each exchange's relevant rules are available upon request from the industry professional with whom you have an account. Some exchanges' relevant rules also are available on the exchange's internet home page.

may also result in loss of orders or order priority. Where Electronic Execution Facilities are made available to the Customer by SFLLC, the Customer may place Orders through the use of such Electronic Execution Facilities. In this, the Customer hereby agrees that any such Orders are only considered as having been received by SFLLC upon SFLLC sending a notification to the Customer through the Electronic Execution Facilities of its receipt and informing the Customer that Order has been either accepted or rejected for execution. Any such notification shall be deemed to have been received by the Customer when the same is issued by SFLLC and the Customer shall be bound thereby notwithstanding that such notification may not have been actually received by the Customer for any reason whatsoever. The Customer shall bear the sole responsibility of keeping records of the same.

### SIMULTANEOUS OPEN OUTCRY PIT AND ELECTRONIC TRADING

Some contracts offered on an electric trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed.

### LIMITATION OF LIABILITY

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of Futures Commission Merchants, and software and communication system vendors and the amount of damages you may collect for system failure and delays. The customer accepts the sole and full responsibility for the monitoring of its Orders and secrecy of all credentials and usernames. The Customer also agrees that SFLLC and its officers, employees, agents and representatives may act as aforesaid without inquiry as to the identity or authority of the person giving or purporting to give any electronic communication including internet messaging, or electronic mail services and any treat the same as fully authorized by and binding on the Customer, regardless of the circumstances prevailing at the time of the Order or communication or its content including the amount of the transaction and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery, or lack of authority in relation thereto, and without requiring further confirmation in any form that SFSP or the employee, officer, agent, or representative concerned believed, in good faith, the instruction to be genuine at that time it was given. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchange(s) in order to understand these liability limitations.

## FUTURES CROSS TRADE CONSENT

Straits Financial LLC ("Straits"), its officers, directors, employees or affiliates or other customers of Straits or of the servicing floor broker may be from time to time on the opposite side of orders for physicals or for purchase or sale of futures contracts and option contracts placed for your Account in conformity with regulations of the Commodity Futures Trading Commission and the by-laws, rules and regulations of the applicable market (and its clearing organization, if any) on which such order is executed.

## NOTICE TO CUSTOMERS: EXCHANGE FOR RELATED POSITIONS <sup>1</sup>

Certain futures exchanges permit eligible customers to enter into privately-negotiated off-exchange futures or option on futures transactions (collectively, “futures”) known as exchange for related positions (“EFRP”). An EFRP involves the simultaneous execution of a futures transaction and an equivalent related position. A “related position” is defined to mean the cash commodity underlying the exchange contract or a by-product, a related product or an over-the-counter (“OTC”) derivative instrument of such commodity that has a reasonable degree of price correlation to the commodity underlying the exchange contract.

Types of EFRPs include:

- Exchange of Futures for Physical (“EFP”) or Against Actual (“AA”) – the simultaneous execution of a futures contract and a corresponding physical transaction or a forward contract on a physical transaction.
- Exchange of Futures for Risk (“EFR”) or Exchange of Futures for Swap (“EFS”) – the simultaneous execution of a futures contract and a corresponding OTC swap or other OTC derivative transaction.
- Exchange of Option for Option (“EOO”) – the simultaneous execution of an option contract and a corresponding transaction in an OTC option or other OTC instrument with similar characteristics.

EFRP transactions are subject to Applicable Law, as defined in the agreement between a futures commission merchant (“FCM”) and its customers. Customers that engage in EFRP transactions are responsible for reviewing, understanding and complying with the provisions of Applicable Law governing EFRP transactions, including, but not limited to, Rule 538 of the CME Group (CME, CBOT and NYMEX) and Rule 4.06 of ICE Futures US, and the frequently asked questions and other guidance that each exchange has issued with respect thereto.<sup>2</sup>

Customers are subject to the jurisdiction of the exchange through which the EFRP transaction is entered into and, therefore, may be required to produce records and otherwise cooperate in any inquiry that the exchange may undertake with respect to the EFRP transaction. Moreover, customers may be sanctioned by the exchange if an EFRP transaction does not comply with the requirements of applicable exchange rules and guidance. For this reason, customers are encouraged to review these requirements with any employees that may engage in EFRP transactions on their behalf. Certain common requirements of the rules and guidance issued by CME Group and ICE Futures US are summarized below. However, this summary is not a substitute for the customer’s obligation to review and understand such rules and related guidance in their entirety.

- The futures contract and the related position must be effected for the account of the same beneficial owner. If the customer is the seller of (or the holder of the short market exposure associated with) the related position, the customer must be the buyer of the futures contract(s) being exchanged in the EFRP; conversely, if the customer is the buyer of (or the holder of the long market exposure associated with) the related position, the customer must be the seller of the futures contract(s) being exchanged in the EFRP.
- The opposing accounts to an EFRP transaction must be: (a) independently controlled accounts with different beneficial ownership; (b) independently controlled accounts of separate legal entities with common beneficial ownership; or (c) independently controlled accounts of the same legal entity, provided the account controllers operate in separate business units. For EFRP transactions between accounts with common beneficial ownership, the parties to the trade must be able to demonstrate the independent control of the accounts and that the transaction had economic substance for each party to the trade.
- Generally, there may be only two parties to an EFRP transaction. However, a third party, acting as principal, may facilitate the related position component of an EFRP on behalf of a customer, provided the third party is able to demonstrate that the related position was passed through to the customer that received the exchange contract as part of the EFRP.
- Each EFRP requires a bona fide transfer of ownership of the cash commodity between the parties or a bona fide, legally binding contract between the parties consistent with relevant market conventions for the particular related position transaction.
- Each side of an EFRP transaction must be independent. For example, confirmation of the related position may not be contingent on the acceptance of the futures transaction for clearing.
- Contingent EFRP transactions are prohibited. EFRP transactions may not be contingent upon the execution of another EFRP or related transaction that results in the offset of the related position without the incurrence of market risk that is material in the context of the related position transactions.
- Foreign currency EFPs, with immediate offset of the cash component of the transaction, are permitted, provided the parties to the transaction have acknowledged that, in the event the futures component of the transaction fails to clear, their responsibility for any resultant profit or loss associated with an offset of the cash component of the transaction.
- A party providing inventory financing for a storable agricultural, energy or metals commodity may, through the execution of an EFP, purchase the commodity and sell the equivalent quantity of futures contracts to a counterparty, and grant to the counterparty the non-transferable right, but not the obligation, to execute a second EFP during a specified time period in the future which will have the effect of reversing the original EFP.

<sup>1</sup>DISCLAIMER: This Notice is provided for informational purposes only. Although care has been taken to assure that the content is accurate as of the date of publication, this Notice is not intended to constitute legal or regulatory advice. FIA specifically disclaims any legal responsibility for any errors or omissions and disclaims any liability for losses or damages incurred through the use of the information herein. FIA undertakes no obligations to update this Notice following the date of publication.

<sup>2</sup>The CME Group’s most recent guidance with respect to EFRP transactions may be found at <http://www.cmegroup.com/rulebook/rulebook-harmonization.html>; ICE Futures US’ most recent guidance with respect to EFRPs may be found at <https://www.theice.com/futures-us/market-resources>. This guidance may be revised from time-to-time. Customers should confirm that they are reviewing the most current guidance.

- An EFRP may incorporate multiple exchange components with different market bias, provided the related components incur material market risk. An EFRP may incorporate multiple related position components, provided the net exposure of the related position components is approximately equivalent to the quantity of futures exchanged or, in the case of an EOO, the net delta-adjusted quantity of the OTC option components is approximately equivalent to the delta-adjusted quantity of the exchange-listed option.
- EFRP transactions may be executed at any commercially reasonable price agreed by the parties, provided the price of the exchange component of the EFRP transaction conforms to the minimum tick increment of the futures contract under exchange rules. Parties may be asked to demonstrate that EFRPs executed at prices away from the prevailing market price were executed at such prices for legitimate commercial purposes.
- The customer must maintain all records relevant to the futures transaction and the related cash, swap or derivative transaction in accordance with applicable exchange rules. Upon request, the customer must provide its FCM with documentation sufficient to verify its purchase or sale of the related position.
- EFR and EOO participants must comply with applicable Commodity Futures Trading Commission requirements governing eligibility to transact the related position component of an EFR or EOO. Generally, EFR and EOO participants must be “eligible contract participants,” as defined in section 1a(18) of the Commodity Exchange Act.
- A swap that is traded on or subject to the rules of an exchange or a swap execution facility (“SEF”) is ineligible to be the related position component of an EFR or EOO transaction. OTC swaps that are bilaterally negotiated and submitted for clearing-only to a DCO qualify as a related position, provided such swaps have a reasonable degree of correlation to the underlying exchange product. Such swaps should be governed by the terms and conditions of an ISDA agreement negotiated between the parties.

## NFA INVESTOR ADVISORY - FUTURES ON VIRTUAL CURRENCIES INCLUDING BITCOIN

The purpose of this investor advisory is to remind investors that, just like any other speculative investment, trading futures on virtual currencies, including Bitcoin, have certain benefits and various risks. While futures on virtual currencies must be traded on regulated futures exchanges, trading these products involves a high level of risk and may not be suitable for all investors.

It is critical, therefore, for investors who are considering trading virtual currency futures to educate themselves about these products, understand their risks, and conduct due diligence before making investment decisions. Investor protection begins with investor education.

- Conduct due diligence on any individuals and firms soliciting for an investment in futures on virtual currencies including Bitcoin by checking their Commodity Futures Trading Commission (CFTC) registration status, NFA membership status, and background using NFA's BASIC system or calling NFA's Information Center at 800- 621-3570.
- Virtual currencies including Bitcoin experience significant price volatility, and fluctuations in the underlying virtual currency's value between the time you place a trade for a virtual currency futures contract and the time you attempt to liquidate it will affect the value of your futures contract and the potential profit and losses related to it. Be very cautious and monitor any investment that you make.
- Be aware of sales pitches offering investment schemes that promise significant returns with little risk or that encourage you to “act now.” If an investment sounds too good to be true (e.g., high returns, guaranteed to perform in a certain way), then it probably is.
- Virtual currency futures contracts are bought and sold using initial margin money that can enable you to hold a virtual currency futures contract valued more than your initial investment. This is referred to as leverage. If the price of the futures contract moves in an unfavorable direction, the leveraged nature of the futures investment can produce large losses in relation to your initial investment. In fact, even a small move against your position may result in a large loss, including the loss of your entire initial deposit, and you may be liable for additional losses.
- Be aware of the risk of Ponzi scheme operators and fraudsters seeking to capitalize on the current attention focused on virtual currencies, including Bitcoin. Outlined above are just some of the risks associated with trading futures on virtual currencies, including Bitcoin. Investors should consult the risk disclosures provided by their FCM and fully educate themselves on all of the associated risks before trading. With CFTC oversight, each futures exchange listing a virtual currency futures contract is responsible for regulating its futures market. NFA performs market regulation services on behalf of certain futures exchanges and swap execution facilities. Please be aware, however, that just because futures on virtual currencies, including Bitcoin, must be traded on regulated futures exchanges does not mean that the underlying virtual currency markets are regulated in any manner, and as discussed above what occurs in a virtual currency's underlying market will impact the price of a virtual currency's futures contract. Investors with questions or concerns regarding trading futures on virtual currencies including Bitcoin should contact NFA's Information Center (312-781-1410 or 800-621-3570 or [information@nfa.futures.org](mailto:information@nfa.futures.org)).

## CUSTOMER ADVISORY: UNDERSTAND THE RISKS OF VIRTUAL CURRENCY TRADING

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**The U.S. Commodity Futures Trading Commission (CFTC) is issuing this customer advisory to inform the public of possible risks associated with investing or speculating in virtual currencies or recently launched Bitcoin futures and options.**

Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Virtual currencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not currently backed nor supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional fiat currencies. Profits and losses related to this volatility are amplified in margined futures contracts.

For hedgers – those who own Bitcoin or other virtual currencies and who are looking to protect themselves against potential losses or looking to buy virtual currencies at some point in the future – futures contracts and options are intended to provide protection against this volatility. However, like all futures products, speculating in these markets should be considered a high-risk transaction.

### Bitcoin is a Commodity

Bitcoin and other virtual currencies have been determined to be commodities under the Commodity Exchange Act (CEA). The Commission primarily regulates commodity derivatives contracts that are based on underlying commodities. While its regulatory oversight authority over commodity cash markets is limited, the CFTC maintains general anti-fraud and manipulation enforcement authority over virtual currency cash markets as a commodity in interstate commerce.

### What makes virtual currency risky?

Purchasing virtual currencies on the cash market – spending dollars to purchase Bitcoin for your personal wallet, for example – comes with a number of risks, including:

- most cash markets are not regulated or supervised by a government agency;
- platforms in the cash market may lack critical system safeguards, including customer protections;
- volatile cash market price swings or flash crashes;
- cash market manipulation;
- cyber risks, such as hacking customer wallets; and/or
- platforms selling from their own accounts and putting customers at an unfair disadvantage.

It's also important to note that market changes that affect the cash market price of a virtual currency may ultimately affect the price of virtual currency futures and options.

**When customers purchase a virtual currency-based futures contract, they may not be entitled to receive the actual virtual currency, depending on the particular contract.** Under most futures contracts currently being offered, customers are buying the right to receive or pay the amount of an underlying commodity value in dollars at some point in the future. Such futures contracts are said to be “cash settled.” Customers will pay or receive (depending on which side of the contract they have taken) Bitcoin as a Commodity. Bitcoin and other virtual currencies have been determined to be commodities under the Commodity Exchange Act (CEA). The Commission primarily regulates commodity derivatives contracts that are based on underlying commodities. While its regulatory oversight authority over commodity cash markets is limited, the CFTC maintains general anti-fraud and manipulation enforcement authority over virtual currency cash markets as a commodity in interstate commerce. long or short) the dollar equivalent of the virtual currency based on an index or auction price specified in the contract. Thus, customers should inform themselves as to how the index or auction prices used to settle the contract are determined.

**Entering into futures contracts through leveraged accounts can amplify the risks of trading the product.** Typically, participants only fund futures contracts at a fraction of the underlying commodity price when using a margin account. This creates “leverage,” and leverage amplifies the underlying risk, making a change in the cash price even more significant. When prices move in the customers' favor, leverage provides them with more profit for a relatively small investment. But, when markets go against customers' positions, they will be forced to refill their margin accounts or close out their positions, and in the end may lose more than their initial investments.

### Beware of related fraud

Virtual currencies are commonly targeted by hackers and criminals who commit fraud. There is no assurance of recourse if your virtual currency is stolen. Be careful how and where you store your virtual currency. The CFTC has received complaints about virtual currency exchange scams, as well as Ponzi and “pyramid” schemes.



**If you decide to buy virtual currencies or derivatives based on them, remember these tips:**

- If someone tries to sell you an investment in options or futures on virtual currencies, including Bitcoin, verify they are registered with the CFTC. Visit [SmartCheck.gov](https://www.smartcheck.gov) to check registrations or learn more about common investment frauds.
- Remember—much of the virtual currency cash market operates through Internet-based trading platforms that may be unregulated and unsupervised.
- Do not invest in products or strategies you do not understand.
- Be sure you understand the risks and how the product can lose money, as well as the likelihood of loss. Only speculate with money you can afford to lose.
- There is no such thing as a guaranteed investment or trading strategy. If someone tells you there is no risk of losing money, do not invest.
- Investors should conduct extensive research into the legitimacy of virtual currency platforms and digital wallets before providing credit card information, wiring money, or offering sensitive personal information.
- The SEC has also warned that some token sales or initial coin offerings (ICOs) can be used to improperly entice investors with promises of high returns.<sup>1</sup>

If you believe you may have been the victim of fraud, or to report suspicious activity, contact us at 866.366.2382 or visit [CFTC.gov/TipOrComplaint](https://www.cftc.gov/TipOrComplaint).

<sup>1</sup> See [https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib\\_coinofferings](https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_coinofferings).

The CFTC has provided this information as a service to investors. It is neither a legal interpretation nor a statement of CFTC policy. If you have questions concerning the meaning or application of a particular law or rule, consult an attorney.

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## GENERAL DATA PROTECTION REGULATION PRIVACY NOTICE

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### Data protection privacy notice

We are committed to protecting your personal information and ensuring we respect your privacy. This Privacy Notice explains how we will look after and use any personal information that we collect about you.

### What is personal information?

Personal information means any information about you from which you can be identified. Examples of personal information include your name, home address, date of birth, telephone number and e-mail address but it also includes other pieces of information which can be used to identify you, either directly or indirectly, such as a cookie.

### Who we are

Straits Financial LLC is the Controller of the personal information you provide to us. If you have any questions about this Privacy Notice or the information we hold about you please contact our Chief Compliance Officer using the details set out below:

Full name of legal entity: Straits Financial LLC  
Name relevant contact: James Gordon  
Email address: [jgordon@straitsfinancial.com](mailto:jgordon@straitsfinancial.com) & [compliance@straitsfinancial.com](mailto:compliance@straitsfinancial.com)  
Postal address: 311 S. Wacker Drive, Suite 980, Chicago, IL 60606  
Contact telephone numbers: 312-462-4499 & 312-846-5656

You have the right to make a complaint at any time to the Information Commissioner's Office (ICO), the UK supervisory authority for data protection issues. We would however appreciate the chance to deal with your concerns before you approach the ICO, so please contact us in the first instance.

To the extent that we use unaffiliated third parties for services, such providers will be subject to strict contractual requirements to maintain the confidentiality of any customer information they may obtain in connection with their services. Furthermore, we will disclose only the information necessary to provide such services. Where we disclose your personal data to third parties, we will employ our best efforts to require such third parties to protect your personal data.

### How we will use your personal information

We only obtain, use and keep personal information where we need it for a specific purpose. We set out in the table below the ways in which we plan to use your personal information. We are only able to use your personal information if we have a proper legal reason, regulatory request or basis for doing so. This is called a legal basis and the regulations require that we have a legal basis so that your privacy is protected. Most commonly we will use your information in the following ways:

- We have a **contract** with you. For example, we have agreed to provide financial services and hold your trading account for you and have a contractual agreement to do this.
- We have legal **and regulatory obligations**. We need to use your personal information to comply with laws that assist in the prevention of financial crime and to comply with regulatory obligations. For example this might include confirming your identity and source of wealth, as well as ensuring we provide you with necessary information so you understand the risk of the financial services we can provide.
- We have asked for, and you have provided, consent to use your information. **Please note that you can withdraw your consent at any time – this is part of how the law protects your interests.**
- We, or a third party, have a **legitimate interest** in processing the information and your interests and fundamental right do not override those interests. For example, processing your information to prevent fraud.

The personal data which we collect from you may be collected, used, disclosed and/or processed for various purposes, depending on the circumstances for which we may/will need to process (collectively, “the processes”) your personal data, including:

Purpose	Lawful basis for processing including our legitimate interests
To on-board you as a new customer, including carrying out due diligence or other screening activities (including anti-money laundering, “know-your-client”, credit and background checks) in accordance with legal or regulatory obligations or Straits’ risk management procedures that may be required by law or that may have been put in place by Straits	To fulfil our contract with you To fulfil our legal obligations to prevent financial crime
To manage your account, including but not limited to executing your instructions with respect to any transactions, processing your orders, processing payments made to and from your account and executing your instructions with respect to the update of your company particulars	Necessary for our legitimate interests – to recover debts due to us
To monitor your account on an on-going basis	To fulfil our contract with you
To meet our regulatory obligations to provide you with regular information about your account and investment activity	To fulfil our regulatory obligations
To contact you about other products and services we think you may be interested in and conducting research, analysis and development activities to improve Straits’ services and facilities in order to enhance your Account with Straits or for your benefit, or to improve any of Straits’ services for your benefit;	Necessary for our legitimate interests – to develop our products and services and grow our business.
To use data to improve our website	Necessary for our legitimate interests – to understand how our customers interact with our website
Carrying out your instructions or responding to any enquiry given (or purposed to be given by) us on your behalf	To fulfil our contract with you
Prevent or investigate any fraud, unlawful activity or omission or misconduct, whether relating to your Account with Straits or any other matter arising from your Account with Straits, and whether or not there is any suspicion of the aforementioned	To fulfil our regulatory obligations
Complying with or as required by any request or direction of any governmental authority; or responding to requests for information from public agencies, ministries, statutory boards or other similar authorities. For the avoidance of doubt, this means that Straits may/will disclose the Individuals’ Personal Data to the aforementioned parties upon their request or direction	To fulfil our regulatory obligations

Complying with or as required by any applicable law, governmental or regulatory requirements of any relevant jurisdiction, including meeting the requirements to make disclosure under the requirements of any law binding on Straits and/or for the purposes of any guidelines issued by regulatory or other authorities, whether in The United States of America or elsewhere, with which Straits is expected to comply	To fulfil our regulatory obligations
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We will only use your personal information for the reason for which we collected it. We will only use it for another reason if we believe that new reason is compatible with the original purpose. If we do need to use your personal information for a non-related purpose we will tell you about it and explain the legal basis which allows us to do so.

### Marketing

We will always seek your consent to use your personal information for this purpose. We will very clearly explain why we are seeking your consent and ensure that you are provided with a simple method of providing this – usually via tick box on our website.

**You are free to change your mind at any time by emailing [info@straitsfinancial.com](mailto:info@straitsfinancial.com).** We want to contact you about products or services we feel will be of interest to you or of benefit. We use your personal information to communicate with you if we have either your consent or a 'legitimate interest'. We believe that as a commercial enterprise we do have a legitimate interest in contacting you about our products or services and we will only do so if we decide it would be of interest or beneficial for you. However, we will also gain your consent to do so. We will always ensure we seek consent from you in a way which is clear and explains why we are seeking consent to use your personal information. We will very clearly explain why we are seeking your consent and ensure that you are provided with a simple method of providing this – usually tick box via our website.

### Third party marketing

We will get your express opt-in consent before we share your personal data with any other company for marketing purposes.

### Cookies

Cookies are small text files placed on your computer (or other device where you access the internet) used to collect information on your activities online. They can also be used as part of website functionality – for example if you use online service to access / your platform account and your trading account so you should be careful about accepting, deleting or removing them. We can collect information about the device you are using to access the internet, your IP address and website browser (for example). Cookies can tell us what information you were looking at, for how long, which internet sites interest you which are useful for us particularly for marketing our products and to ensure we are delivering the right service to clients.

If you have concerns about cookies this web site explains how you can delete and control the cookies that are stored on your computer: <https://www.aboutcookies.org/>

### Who we share your information with

We may need to provide information to third parties for a variety of reasons. For example, we may need to provide information to assist in the detection or prevention of crime or for the purpose of safeguarding national security. Please refer to the table in the section 'How we will use your personal information' which explains how we use your data.

Third parties may include but are not limited to parties we share your information with to provide or facilitate goods and services to you such as back office equity system providers, platform providers, and third-party vendors used to confirm information you provided to us during the account opening process; IT vendors used to provide you or Straits with goods and services such as Straits online application hosting and development and vendors we use to back-up information for operational and regulatory purposes; and auditors, regulators, and law enforcement. Straits does not process any special categories of data.

### Sending your information outside of the EEA

The regulations which have been put in place to protect your privacy apply throughout the EEA. As explained in the section above we will send your information to other third parties who are based outside of the EEA, however we will only share your information with them because the following safeguards have been put in place:

- The country we send your information to is deemed to provide an adequate level of protection by the European Commission;
- The information is being transferred between organisations which are engaged in the same economic enterprise, or within our corporate group, and we have an agreement in place which sets out how your privacy will be protected;
- The entities we transfer your information to are based in the US and are part of the Privacy Shield which requires them to provide a similar level of protection to European standards.
- <Others safeguards are available – tailor as appropriate.>

We will ensure that we give full consideration to the GDPR requirements in relation to transfers of personal data outside of the EEA when we make operational changes.

You can obtain further information on the specific mechanism used by us when transferring your personal information outside of the EEA by contacting the Chief Compliance Officer.

### Storing your information

As a financial services provider we will typically have a contract with you and will need to keep your personal information (updated to ensure accuracy) to fulfil our contract. We also need to comply with EU, UK, and US law, which often requires us to keep certain records - which will include certain personal information – for several years.

When we decide how long we will retain your personal information, we will take into account the amount, nature, sensitivity of your information and how we want to use it as well as the potential risk of harm being caused from unauthorized use or disclosure.

Straits will retain your personal data as long as it is needed for the purposes outlined in Section 3, including but not limited to retaining personal data after account closures as required by applicable law and regulations.

### Your rights

You are provided with a number of different rights under the data protection laws in relation to your personal information. These allow you:

- To access your information;
- To request we correct your information;
- To request that we erase your information;
- To object to the processing of your information;
- To request a restriction in the processing of your information;
- To request a transfer of your information; and
- To withdraw your consent.

If you wish to exercise any of these rights please, contact your broker on your account. Please note that you will not have to pay a fee to access your personal information or to exercise any of the other rights. We may, however, charge a reasonable fee if your request is clearly unfounded, repetitive or excessive or we may refuse to deal with your request. We may also need to seek further information from you to confirm your identity before we release any personal information. This does not affect your right to make a complaint. Straits will retain your personal data as long as it is needed for the purposes outlined in Section 3, including but not limited to retaining personal data after account closures as required by applicable law and regulations.

### Security

We have put in place appropriate security measures to protect your personal information from being accidentally lost, used or accessed in an unauthorized way, altered or disclosed. We have a procedure to deal with any suspected personal data breach and will notify you, and other regulators, where we are legally required to do so.

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## PRIVACY POLICY

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Straits Financial LLC believes in the importance of your privacy. In order to preserve the integrity of the information you provide to us in opening an account with Straits or one of its affiliates (collectively "Straits"), we want you to understand how we work to protect your privacy.

Straits restricts access to personal information about its customers to only those personnel and affiliates who must have the information in order to provide the services you are seeking. It is also provided to meet regulations and legal requirements. In some cases, unaffiliated third parties will be supplied with personal information because their access to such information is permitted or required by law and they need to know such information in order to assist Straits in providing the products and services you receive from us. Lastly, information may be shared with unaffiliated third parties whose access to such information is necessary in order for Straits to engage in joint marketing efforts with such third parties.

In providing you with the financial services you seek, Straits may collect the following types of nonpublic personal information from you: any information you may have included on your account application, including your name, address, social security number, any financial information about you; and, information regarding your trading or credit histories.

Straits does collect and store personal information about visitors to our website via the use of cookies. We also collect the following; collect general site traffic information such as visitor, time of day, day of the week, browser, city, state, paths taken through our site, and search engine(s) used to find our site.

Rest assured that Straits will not sell your personal information to any third parties. Your personal information will remain subject to the strictest confidentiality protections. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. Straits strives to use commercially reasonable safeguards to maintain confidentiality of your personal data.

To the extent that we use unaffiliated third parties for electronic services, such providers will be subject to strict contractual requirements to maintain the confidentiality of any customer information they may obtain in connection with their services. Furthermore, we will disclose only the information necessary to provide such services.

In certain instances, legal authorities or regulatory agencies may require that we disclose certain customer information, which we will have the obligation to provide. In addition, we may be forced to disclose information to enforce our legal rights, or in order to perform credit checks or collect debts.

### What types of information do we use?

We collect information in the course of providing our financial services to you. The information which we collect, use, store and transfer about you are:

- a) First and last name, middle name, email address, home address, phone number and other contact information;
- b) Date of Birth;
- c) Tax filing status;
- d) Tax Identification number;
- e) Nationality or place of citizenship;
- f) Employer, employment history and occupation;
- g) Copies of identification documents such as, passport, driver's license, state ID or other types of government issued identification;
- h) as Ancillary information provided on a document used for proof of residential address;
- i) Bank account information, such as routing and account numbers;
- j) Financial information such as net worth, annual income and liquid assets;
- k) Transaction, account activity, and trading experience history;
- l) IP Addresses;
- m) Recorded phone conversations;
- n) Authorized signatory list, including signatures of your employees, agents, contractors, beneficial owners, and others associated with entities.

Our products and services are not intended for children and we will not knowingly collect any data related to children.

We do not collect any special categories of personal data. This includes details about your race or ethnicity, religious or philosophical beliefs, sex life, sexual orientation, political opinions, trade union membership, information about your health and genetic or biometric data.

### Consequences of not providing some types of information

Where we need to collect your personal information by law, for regulatory purposes, or under the terms of a contract we have with you, and you fail to provide that information when requested, we may not be able to provide the services you asked for. In this case we may deny to open or have to close your applicable trading account.

### How do we collect information about you?

Typically we will collect information from you when you contact us directly or provide information to your broker in order for us to provide our products and services. We collect information from and about you in the following ways:

- Processing your application for an account
- Any managing or maintenance of your account with Straits
- When you sign up for our Marketing Materials
- When you visit our website
- When you complete Welcome Surveys or enter information into forms on our website
- Any other purposes which we notify you of at the time of obtaining your information.
- Through **using our website** when we collect information using cookies or similar technologies which tell us about your equipment, browsing actions and patterns.

Please note that we may be required to disclose your personal data to third parties in certain situations, including, without limitation, the following:

- (a) cases in which the disclosure is required or authorized based on the applicable laws and/or regulations;
- (b) cases in which the purpose of such disclosure is clearly in your interests;
- (c) cases in which the disclosure is necessary for any investigation or proceedings, including enforcement of Straits legal rights;
- (d) cases in which the personal data is disclosed to any officer of a prescribed law enforcement or regulatory agency;
- (e) where such disclosure is permitted by applicable law.

The third parties which we share personal information with are as follows:

- Back office equity system providers
- Platform providers
- Third party vendors used to confirm information you provided during the account opening process.
- Online application hosting
- IT Vendors who back up information for operational and regulatory purposes

# STRAITS FINANCIAL LLC DISCLOSURE BOOKLET

Read through this Straits Financial LLC Disclosure Booklet and acknowledge all disclosure statements by initialing the corresponding boxes and signing on the acknowledgement page within the account application. Please retain a copy of this disclosure booklet and the acknowledgement for your records.

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THE UNDERSIGNED CUSTOMER HAS REVIEWED AND UNDERSTANDS THE STRAITS FINANCIAL LLC DISCLOSURE BOOKLET

All account holders must sign.

**Signature 1**

x

Print Name

Title (if applicable)

Date



Form **W-8BEN**

**Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)**

(Rev. July 2017)

► For use by individuals. Entities must use Form W-8BEN-E.

OMB No. 1545-1621

Department of the Treasury  
Internal Revenue Service

► Go to [www.irs.gov/FormW8BEN](http://www.irs.gov/FormW8BEN) for instructions and the latest information.

► Give this form to the withholding agent or payer. Do not send to the IRS.

**Do NOT use this form if:**

**Instead, use Form:**

- You are NOT an individual . . . . . W-8BEN-E
- You are a U.S. citizen or other U.S. person, including a resident alien individual . . . . . W-9
- You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services) . . . . . W-8ECI
- You are a beneficial owner who is receiving compensation for personal services performed in the United States . . . . . 8233 or W-4
- You are a person acting as an intermediary . . . . . W-8IMY

**Note:** If you are resident in a FATCA partner jurisdiction (i.e., a Model 1 IGA jurisdiction with reciprocity), certain tax account information may be provided to your jurisdiction of residence.

**Part I Identification of Beneficial Owner** (see instructions)

<b>1</b> Name of individual who is the beneficial owner		<b>2</b> Country of citizenship	
<b>3</b> Permanent residence address (street, apt. or suite no., or rural route). <b>Do not use a P.O. box or in-care-of address.</b>			
City or town, state or province. Include postal code where appropriate.		Country	
<b>4</b> Mailing address (if different from above)			
City or town, state or province. Include postal code where appropriate.		Country	
<b>5</b> U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)		<b>6</b> Foreign tax identifying number (see instructions)	
<b>7</b> Reference number(s) (see instructions)		<b>8</b> Date of birth (MM-DD-YYYY) (see instructions)	

**Part II Claim of Tax Treaty Benefits** (for chapter 3 purposes only) (see instructions)

**9** I certify that the beneficial owner is a resident of \_\_\_\_\_ within the meaning of the income tax treaty between the United States and that country.

**10 Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article and paragraph \_\_\_\_\_ of the treaty identified on line 9 above to claim a \_\_\_\_\_ % rate of withholding on (specify type of income): \_\_\_\_\_

Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding: \_\_\_\_\_

**Part III Certification**

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself for chapter 4 purposes,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:
  - (a) not effectively connected with the conduct of a trade or business in the United States,
  - (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
  - (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

**Sign Here** ►

\_\_\_\_\_  
Signature of beneficial owner (or individual authorized to sign for beneficial owner)      Date (MM-DD-YYYY)

\_\_\_\_\_  
Print name of signer      Capacity in which acting (if form is not signed by beneficial owner)

**For Paperwork Reduction Act Notice, see separate instructions.**

Cat. No. 25047Z

Form **W-8BEN** (Rev. 7-2017)





**Straits Financial LLC**

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