STRAITS FINANCIAL LLC

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DISCLOSURE DOCUMENT

CFTC Regulation 1.55

This disclosure document was last updated April 2025.

Note: certain clerical updates were made as of July 09, 2025.

According to Commodity Futures Trading Commission (CFTC) regulation each futures commission merchant (FCM), including Straits Financial LLC, must provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities with the FCM. Unless otherwise noted below, the information provided herein is as of the date listed above. Straits will update this information annually or as necessary based upon material changes to its business operations, financial condition, or other factors. You may request a hard copy of this document by sending a request to info@straitsfinancial.com. Straits' business activities and financial information are not static and will experience non-material changes on an on-going basis.

Firm Overview

Straits Financial LLC ("Straits" or "the Firm") is a Commodity Futures Trading Commission (CFTC) licensed registered Futures Commission Merchant (FCM), Swaps Firm, Forex Firm, and member of the National Futures Association (NFA) as well as a full clearing member of the Chicago Mercantile Exchange (CME), Chicago Board of Trade (CBOT), New York Mercantile Exchange (NYMEX), Commodity Exchange (COMEX), Options Clearing Corporation (OCC) and the CBOE Futures Exchange (CFE). All of Straits' assets and capital are devoted to its FCM operations which includes execution, brokerage, and clearing of futures contracts and options thereon. The firm does not engage in proprietary trading nor cleared swap customer trading. The Designated Self-Regulatory Organization of Straits is the Chicago Mercantile Exchange.

Straits is owned by US-based holding company Straits (USA) Inc. Straits (USA) Inc. is a subsidiary of Straits Financial Group Pte. Ltd., which is the brokering division of CWT International Limited ("CWT"). CWT is a publicly traded company located in Hong Kong. More information about CWT including facts and financial information may be found at www.hnaholdinghk.com.

Principals of the Firm

The business address of the principals of the firm is the main office:

311 South Wacker Drive, Suite 980
Chicago, IL 60606

Paul Fry, Managing Member, Executive Committee Member

In his role as an Executive Committee Member, Paul Fry assumes the role of driving the business development of Straits as well as overseeing the day-today functions of the firm. Paul serves as a member of the firm's Executive Committee, the governing body of the FCM.

He has been in the futures industry for the last 25 years and held senior positions at several FCMs including Cadent Financial Services LLC, Refco LLC, and Lind Waldock.

Paul travels frequently to meet with customers, gathering market intelligence and trends, and attends industry events to keep a robust perspective.

Gene Orr, President, and Chief Executive Officer

As President and CEO, Gene Orr is responsible for developing new business opportunities globally and building bridges between the US and other continents such as Asia. Additionally, as principal of Straits, he serves as a member of the FCM's executive

committee. Gene has been in the financial industry for the last 25 years and has held senior positions at leading global financial institutions such as Citigroup Global Markets, HSBC, and Jefferies. He started his career as a commodity sales broker at an investment bank in Seoul and London dealing with metals and energy products before moving on to senior positions in the futures industry with Refco Group, LLC, and Cargill Investor Services, Inc., both of which were located in Chicago. Prior to joining Straits Group, he served as the CEO of AQG Capital Management, now known as KB Asset Management, in Singapore. he read for his Ph.D. in Finance from the University of Birmingham in U.K and holds an MA from Bond University in Australia.

James Gordon, Chief Operating Officer

In his duties as Chief Operating Officer, Jim Gordon is responsible for all operations at the FCM including new account opening, compliance, risk, back office operations, etc. Prior to his role as COO, Jim acted as CCO of Straits and was responsible for CFTC, NFA, and exchange-related Compliance. Jim has been in the finance industry for over 25 years. He began as a clerk on the CME floor, was a market-maker on the Chicago Board Options Exchange, and later an Analyst in Market Regulation at the National Association of Securities Dealers (currently known as FINRA). For most of his career, Jim has worked in Compliance, first at Wachovia Securities and later serving as CCO at Advance Trading in Bloomington, Illinois. To keep abreast of industry trends, Jim attends various industry-related events such as FIA Expo, FIA L&C, and Chicago Kent's Conference on Futures and Derivatives. He has a Bachelor of Science Degree from the University of Michigan.

Jeff Carl, Chief Financial Officer

As Chief Financial Officer, Jeffrey Carl is responsible for planning, implementing, managing, and controlling all financial related activities for the company. As a Certified Public Accountant with over 25 years of experience in the futures industry, Jeff brings a broad range of experience to the CFO position. He started his career in 1993 as a regulatory and compliance auditor for the Chicago Mercantile Exchange. Prior to joining Straits, he was Chief Financial Officer at Direct Access USA, LLC, where he was responsible for all accounting, finance, and treasury related operations and for the implementation of corporate strategic objectives. He has held several senior positions at FCMs and Broker Dealers including Director of Operations for Futures, Options, and OTC Cleared Derivatives at Bank of America Merrill Lynch, Americas Head of Operational Risk Management at MF Global, and has performed independent Risk Management Program reviews opining on the design and effectiveness of processes and internal controls for financial risk, regulatory risk, segregation risk, operational risk, and credit risk.

James Bohlsen, Chief Compliance Officer

In his duties as Chief Compliance Officer, Jim is responsible for overall management of the Strait's Compliance Department and for ensuring that the Firm is compliant with applicable law, CFTC regulation, NFA and Exchange rules and company policies. He also assists Straits'

Introducing Brokers with their regulatory requirements. He has been employed by futures exchanges and brokerage firms for over 30 years. He started his career in the Chicago Mercantile Exchange's Compliance Department. He then worked as a Compliance Manger/Officer for a number of firms including ING, Cargill, Mizuho Securities and NinjaTrader Brokerage/Tradovate. Jim has a Bachelor of Science Degree in Agricultural Business Administration from the University of Minnesota. He joined the firm in March 2025.

Straits' Customer Business

Types of Customers

Straits offers its services to a variety of different types of customers including retail, institutional, commercial, proprietary trading firms, exchange members, and omnibus account customers. Straits maintains both US and non-US customers who are both hedgers and speculators.

Markets Traded

Including, but not limited to the following:

- Energy—Crude, Heating Oil and Natural Gas.
- Agriculture Commodities—Grains and Oilseeds, Livestock and Meats.
- Foreign Exchange Futures—Currencies.
- Soft Commodities—Coffee, Cocoa, Sugar, Orange Juice, Robusta Coffee & MATIF Grains.
- Financial Futures—Indices and Interest Rates. (US and Euro)
- Metals—Base and Precious Metals
- Dairy—Milk, Butter, and Cheese
- Exchange regulated Bitcoin futures

International Businesses

Although Straits offers access to non-US exchanges through its exchange registrations and carrying broker relationships, it does not maintain office locations outside of the US, nor does it operate any material lines of business outside of the US.

Clearing Organizations

As mentioned above, Straits is a member of several exchanges. Straits also conducts business with the following Clearing Organizations on a non-member basis:

- ASX Clear
- Bursa Malaysia Derivatives Exchange
- Canadian Derivatives Clearing Corp

- EUREX Clearing.
- Euronext Clearing
- HKFE Clearing Corporation LTD
- ICE Clear Canada
- ICE Clear US
- ICE Clear Europe
- Japan Commodity Clearing House Corporation LTD
- Japan Securities Clearing Corporation
- LCH Clearnet LTD
- LCH Clearnet SA
- Minneapolis Grain Exchange Clearing House
- New Zealand Clearing and Depository Corporation
- Singapore Exchange Derivatives Clearing
- London Metals Exchange

Carrying Brokers

Straits maintains several carrying broker relationships to offer customers access to numerous global exchanges and products. Straits maintains relationships with the following carrying brokers: CGS-CIMB Securities (Singapore) Pte Ltd, CIMB Futures SDN BHD, StoneX Financial Inc., StoneX Financial Ltd., Nissan Securities Co. Ltd. and R.J. O'Brien & Associates LLC.

Permitted Depositories and Counterparties

Straits maintains policies and procedures concerning its choice of bank depositories, custodians, and counterparties to permitted transactions under CFTC Regulation 1.25, Investment of Customer Funds. Specifically, Straits has a documented process for the evaluation of such parties which includes criteria each must meet and may include all or some of the following criteria: capitalization, creditworthiness, operational reliability, and access to liquidity. The criteria also consider concentration, the availability of deposit insurance, and the extent of the regulation and supervision of the depository. Further, it is Straits' goal to only permit transactions that take a conservative investment approach and as such, as discussed in detail below, only invest customer funds in cash, cash deposits and US Government Treasuries.

Risk Program, Practices, and Controls

Straits employs a Risk Management Unit (RMU) that follows a Global Risk Management Program. The program monitors and addresses the following risks across multiple time zones: market, operational, credit, treasury, capital, and liquidity. The RMU administers the firm's Risk Management Program (RMP) with procedures that include (but not limited to) controls set to limit the aforementioned areas of risk to the firm's tolerance limit, internal controls in regard to the handling of customer funds, approval process for transfers to affiliates, procedures for the evaluation of depositories and investment vehicles utilized,

and a process for calculating the firm's targeted residual interest in customer segregated and secured funds. The RMU has procedures and controls in place to monitor various risk tolerance levels. The RMU has escalation procedures to follow when any breaches in firm risk tolerance levels are detected. The program also includes annual training on areas of customer funds protection, including proper handling of such funds. The Risk Management Unit is required to file a Risk Exposure Report with the CFTC on a quarterly basis.

Material Risks

The largest risk for customers depositing funds with an FCM is that it could potentially result in the loss of funds.

Nature of Investments

Straits only invests both proprietary funds of the firm and customer funds in cash, interest bearing demand deposit cash accounts and US Government Treasuries.

Straits Credit Overview

The material risks of an FCM generally are segregation, operational, market, capital, credit and liquidity, and technological failure risk. Straits has a Risk Management Program ("RMP") designed to have written procedures in place to monitor and manage risks associated with our activities, to protect customer funds and firm capital, and ensure compliance with CFTC Rule 1.11 - Risk Management Program for Futures Commission Merchants. As previously stated, 100% of the firm's capital is devoted to its FCM operations, and it has no other material lines of business. The firm monitors its liquidity daily and has no material liabilities other than to its customers.

The firm measures its leverage in accordance with the following formula: (i.e., total balance sheet assets, less any instruments guaranteed by the U.S. government and held as an asset or to collateralize an asset (e.g., a reverse repo) divided by total capital (the sum of stockholder's equity and subordinated debt)), all computed in accordance with U.S. GAAP. As of March 31, 2025, the firm's leverage ratio was 1.10.

Risks Posed by Affiliates

All Straits' current affiliates are separate legal entities whose business operations do not materially affect that of the FCM.

Significant Liabilities

Straits has no significant liabilities, contingent or otherwise, nor any material commitments.

Material Complaints or Actions

There has been no material administrative, civil, or criminal actions brought, pending, or concluded against Straits or its principals in the past three years.

Overview of FCMs, Customer Funds Segregation, FCM Collateral Management and Investments

FCMs

FCMs, or Futures Commission Merchants, are individuals, associations, partnerships, corporations, and trusts that solicit or accept orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any exchange and that accept payment from or extend credit to those whose orders are accepted. FCMs are required to be registered with the CFTC and a Member of NFA. FCMs must maintain a minimum amount of capital that is determined by the CFTC or a Derivatives Clearing Organization for which it is a member. Straits is required by its DSRO to maintain minimum capital of the greater of $20MM or 8 percent of its customer and non-customer risk maintenance margin requirements. FCMs are required to provide semi-monthly and monthly financial reports to the CFTC and are also required to hold customer funds in the specific types of accounts as outlined in CFTC Regulation 1.25. Furthermore, the CFTC has been granted view only access to all of Straits' accounts holding customer funds, and Straits' DSRO receives end-of-day balance information for these same accounts.

Customer Accounts

FCMs may maintain up to two different types of accounts for customers, depending on the products a customer trades:

(i) a **Customer Segregated Account** for customers that trade futures and options on futures listed on US futures exchanges; and
(ii) a **Customer Secured Account** for customers that trade futures and options on futures listed on foreign boards of trade.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, Customer Funds) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the CFTC may permit by order. Customer Segregated Account

Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers to margin futures and options on futures contracts traded on futures exchanges located in the US are considered segregated funds. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the

FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, called a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) an FCM; or (iv) a Derivatives Clearing Organization. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;[1] or (iii) in the country of origin of the currency.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies[2] may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

Customer Secured Account

Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, Secured or 30.7 Customer Funds, are held in a Secured or 30.7 Account.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of $1 billion in regulatory capital; (iii) an FCM; (iv) a Derivative Clearing Organization; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to and are being held for the benefit of the FCM's 30.7 Customers.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will

[1] Money center countries are Canada, France, Italy, Germany, Japan, and the United Kingdom.

[2] Money center currencies mean the currency of any money center country and the Euro. As explained

below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. Return of 30.7 Customer Funds to the US will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, CFTC Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

Investment of Customer Funds

Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. Additionally, CFTC Rule 1.25 authorizes FCMs to invest Customer Segregated Funds and 30.7 Customer Funds in instruments of a similar nature. However, as previously stated, Straits does not currently invest in these types of permitted investments and instead holds all customer funds in either cash, cash deposits or US Government Treasuries.

For additional information on the protection of customer funds, please see the Futures

Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at:https://www.fia.org/sites/default/files/2019-05/Protection-of-Customer-Funds---FAQs.pdf.

Straits Financial Data

The following information is as of March 31, 2025:

- Total Equity or Net Worth $62,169,256.00
- Minimum Net Capital Required $20,000,000.00
- Adjusted Net Capital $45,480,709.00
- Excess Net Capital $25,480,709.00

Straits designated self-regulatory organization is the Chicago Mercantile Exchange. Its website is www.cmegroup.com

Straits' annual audited financial statements may be found at the following website address: https://us.straitsfinancial.com/straits-customer-deposits/

Additional financial information on all FCMs is also available on the Commission's website at http://www.cftc.gov/MarketReports/FinancialDataforFCMs/index.htm.

Customers should be aware that the National Futures Association (NFA) publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (http://www.nfa.futures.org/basicnet/) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

Straits Customer Data

- As of 03/31/25 the firm has not recorded as a loss on uncollectible customer receivables balances for funds held in segregated and secured customer accounts during the past twelve months.
- As of 03/31/25 four accounts comprised approximately 52% of Straits Customer Segregated Funds.
- As of 03/31/25 one account comprised approximately 58% of Straits Customer Secured Funds.

Other Straits Financial Data

Aggregate Notional Value of OTC Transactions	None
Amount of Committed Unsecured Lines of Credit	None
Aggregate Amount of Financing Straits Provides for Customer Transactions Involving Illiquid Products	None

To ensure that the Firm is in compliance with its regulatory capital requirements, including Regulation 1.25, and that it has sufficient liquidity to meet its ongoing business obligations, Straits holds a significant portion of its assets in cash with internally approved bank depositories. Additionally, Straits invests in U.S. Treasury securities, guaranteed as to principal and interest. As of March 31, 2025, the weighted average maturity of all investments held is 165 days, and the weighted average coupon rate is 4.56 percent.

Customer Complaints

Straits strives to provide and deliver products, tools, and customer service that meets its clients' needs. If you are unsatisfied with any of these items, we encourage you to contact Straits Compliance Department via phone at (312) 846-5656 or email at compliance@straitsfinancial.com.

In addition, customers may obtain information regarding filing a complaint to the CFTC at https://www.cftc.gov/complaint; or CME Group Inc. at: https://www.cmegroup.com/market-regulation/file-complaint.html.