

Pictet Overseas Inc.

1000 de la Gauchetière West, Suite 3100

Montréal (Québec) Canada H3B 4W5

Phone: 514.288.8161

Fax : 514.288.5472

mtl_compliance@pictet.com

<https://www.pictet.com/lu/en/legal-documents-and-notes/pictet-overseas-inc>

Registered with the Commodity Futures Trading
Commission as a Futures Commission Merchant
NFA ID #0427499

The date of this disclosure document is:
January 18, 2023



Pictet Overseas Inc.

FCM DISCLOSURE DOCUMENT

Introduction

On October 30, 2013, the Commodity Futures Trading Commission (“CFTC”) approved final rules intended to enhance the customer protection requirements imposed on Futures Commission Merchants (“FCMs”). The final rules build upon the CFTC’s existing customer protection regime, as amended by Dodd-Frank. The final rules are intended to enhance these protections and to specifically address the customer and systemic risks. This disclosure document provides Firm-specific disclosures to prospective and current customers, including additional information regarding the Futures Commission Merchant (“FCM”), its business, operations, risk profile and affiliates. This document is aimed at providing customers with access to sufficient material information regarding the FCM to allow customers to independently assess the risk of entrusting funds to the Firm or using the Firm for the execution of orders. This document is intended to be read in conjunction with the Risk Disclosure Statement. The Risk Disclosure Statement can be found within this document at APPENDIX A.

Overview

Futures Commission Merchants

A FCM is any individual or entity that is engaged in soliciting or accepting orders for the purchase or sale of any commodity for future delivery, security futures product, swap, commodity option, leveraged transaction, or any agreement, contract, or transaction specified in the Commodity Exchange Act (“Act”); and in connection with such activities, accepts money, securities, or property, or extends credit in lieu thereof, to margin, guarantee, or secure any trades or contracts that result from such activities. Essentially, FCMs solicit or accept orders and receive customer funds to support such orders. Some FCMs may obtain clearing privileges that allow the FCM to process, clear, and settle trades through a derivatives clearing organization on behalf of itself or others. Clearing FCMs have a direct relationship with exchanges, and such clearing firms are subject to additional regulatory requirements, particularly those pertaining to clearing arrangement restrictions and risk management.

FCMs differ from other regulated entities such as introducing brokers (IBs) and commodity pool operators (CPOs) in that FCMs, unlike IBs, may hold customer funds, and FCMs do not pool customer assets in the form of an investment trust, syndicate, or related enterprise to trade on behalf of the pool participants. Additionally, FCMs generally do not make trading decisions on behalf of customers, unlike a CPO. Pictet Overseas Inc. (“POI” or “Company” or “Firm”) is registered as a FCM.

Customer Funds Segregation

Pictet Overseas Inc. is committed to the protection of customer funds. The Company maintains two different types of accounts for customers, depending on the products traded by the customer. A customer may maintain a segregated funds account for futures contracts listed on U.S. futures exchanges and/or a foreign futures secured funds account for futures contracts listed on foreign boards of trade.

Segregated funds are funds that customers deposit with a FCM or that are otherwise required to be held for the benefit of customers to margin futures positions located in the U.S. These funds are held in a customer account in accordance with section 4d(a)(20) of the Act and CFTC Rule 1.20. Segregated funds are maintained at banks or carrying brokers in clearly identified “segregated funds” accounts separate and apart from any other funds of the Company. Segregated funds from multiple customers may be commingled into one or more accounts for purposes of convenience. However, FCMs must treat each customer’s funds as belonging to the customer providing such funds. Customer funds held in the

segregated funds account may not be used to meet the obligations of the Firm or to guarantee or secure a commodity interest (or extend credit) of any customer other than the customer providing the funds.

30.7 Secured Funds are funds that customers deposit with the Firm, or that are otherwise required to be held for the benefit of customers, to margin futures traded on foreign boards of trade. Such funds are held in a foreign futures secured fund account in accordance with CFTC Rule 30.7. The funds held in the foreign secured fund account must be at least sufficient to cover or satisfy all of the Firm's obligations to its foreign futures customers. 30.7 Secured Funds are maintained at banks or carrying brokers in clearly identified "30.7 Secured Funds" accounts separate and apart from any other funds of the Company. Funds received from multiple 30.7 customers may be commingled for convenience, but such funds may not be commingled with a FCM's proprietary account or with segregated funds. Additionally, 30.7 secured funds cannot be used to secure or guarantee the obligations of the FCM or to purchase, margin, or settle commodity interests of any person other than the 30.7 customer that provides the funds.

Collateral Management and Investment

Entities subject to regulation under the Commodity Exchange Act must adhere to certain restrictions regarding customer property used as collateral to secure the customer's positions. Many of these regulations are found in 17 C.F.R. Part 1. Futures customers may be required to post initial margin, which is a payment that serves as a performance bond to cover exposure arising from changes in the market value of one's position. Variation margin may be required to be posted to cover changes in the market value since the trade was executed. According to CFTC Regulation 1.22(c), the under margined amount of a customer's account is the amount by which the total amount of collateral required for a customer's positions in the account exceeds the value of the customer's funds. Customers in the industry may satisfy margin requirements in the form of money, securities, or other property to cover exposure, and entities accepting customer property must adhere to certain regulatory requirements relating to the treatment of customer property.

FCMs must regularly report to the CFTC a segregated account computation and details regarding the holding of futures customer funds, including the total amount of customer-owned funds that are held as margin collateral and a list of the names and locations of the depositories holding such collateral.

FCMs are subject to strict regulations regarding measures to safeguard and protect all customer funds. Generally, FCMs may only place customer funds in specific types of investments and must adhere to specific concentration limits regulations. Currently, the Firm does not invest the excess customer's funds in the Segregated accounts. Should the firm decide to change its policy, it would invest these funds in short-term U.S. government securities.

The Futures Commission Merchant

Pictet Overseas Inc. is a Canadian based CFTC registered Futures Commission Merchant ("FCM") since 2015 and began acting in that capacity in December 2017. POI is a non-clearing FCM, it does not face the exchanges and use a carrying broker to clear futures. POI is a member of the National Futures Association ("NFA") its self-regulatory organization. POI focuses substantially on the execution of futures contracts for clients. The Firm does not engage in proprietary trading or allow employees to have discretionary trading authority over customer accounts.

POI is part of The Pictet Group, a group of companies that provides private banking and wealth management services. Established in Geneva in 1805, The Pictet Group focuses on managing the wealth

of private individuals, families and institutional investors. It does not engage in any form of investment banking, nor does it extend any commercial loans.

POI was set up with the same philosophy and culture to service trading in securities, equities, and commodity futures and options of our individual and institutional clients. POI is also a U.S. Securities and Exchange Commission (“SEC”) registered Broker Dealer and a member of the U.S. Financial Industry Regulatory Authority (“FINRA”) since 1994.

You can refer to the NFA’s Web site at www.nfa.futures.org to get further information on the futures industry. Further information regarding the Firm, including its audited financial statements, and other Risk Disclosure information can be found on the POI website, at: <https://www.pictet.com/ca/en/legal-documents-and-notes/pictet-overseas-inc>.

Markets Traded

POI provide access to most important futures exchanges across the world such as Chicago Mercantile Exchange, Chicago Board of Trade, New York Mercantile Exchange (NYMEX and COMEX), Intercontinental Exchange, Eurex, Singapore, Honk Kong, Japan and Australian exchange. Within these futures exchanges, clients may trade any futures and options on futures on equity indices, bonds, rates, currency and some commodities such as oil and precious metal. POI does not allow take or making physical delivery. At this time POI does not cover virtual currency futures and carbon offset future.

Carrying Broker

POI is not a direct member of the exchange and use SG Americas Securities to clear on its behalf. POI uses other SG affiliates to access specific exchanges such as SG International Limited, SG Capital Canada or Altura Markets SV A carrying broker aids in the clearing and settling of trades on the exchange and managing associated risk.

Depositories

The Firm considers and monitors the firm’s depositories utilized for custody of customer property. Besides being a depository for the Firm, these depositories may serve as a custodian and counterparty to permitted transactions under CFTC Regulation 1.25. In selecting the Firm’s depositories, the Firm considers what cash management services could be provide to the Firm in addition to the depository’s financial condition and the nature of their operations.

The Firm's Principals

Eric Jean Paul Hamid – Director, Chief Compliance Officer and Chief Executive Officer

1000 de La Gauchetière West, Suite 3100, Montréal (Québec) Canada H3B 4W5

Mr. Hamid is a Director of POI. As CEO, Mr. Hamid's mission is to develop all business activities related to POI, to ensure that a quality service is delivered to all clients and to introduce new client relationships for the Firm. Mr. Hamid is also in charge of supervising the Firm's trading and sales activities, as well as approving business relationships. He has the ultimate responsibility with regards to the establishment of processes to ensure the performance of an effective compliance and supervisory framework. Eric Hamid reports to the Board of Directors and has supervisory responsibility over APs.

Mr. Hamid has been in the financial industry for over 20 years. He received a Bachelor's in Economics as well as a Master's in Financial Econometrics from the University of Montreal.

Maria Zavitsanos – Chief Financial Officer

1000 de La Gauchetière West, Suite 3100, Montréal (Québec) Canada H3B 4W5

Mrs. Zavitsanos is an Executive Director, Head of Human Resources and is a Director of POI. She is a Financial and Operations Principal ("FINOP"). The Chief Financial Officer is the person that is ultimately responsible for all financial and regulatory reporting regarding the Firm's financial well-being. This individual oversees all elements related to the budgeting processes, as well as being the initial resource for all taxation related issues (corporate and client related). Other elements include the management of all relationships with the Firm's external auditors and the review and maintenance of all insurance policies. Mrs. Zavitsanos has over 30 years of professional accounting experience. She attended McGill University in Montreal where she received a Bachelor of Commerce. She is a member of the Order of Chartered Professional Accountants (CPA) and holds the Professional title of Chartered Accountant (CA).

Claudia Gourde – Chief Operating Officer

1000 de La Gauchetière West, Suite 3100, Montréal (Québec) Canada H3B 4W5

Claudia Gourde, LLB, is an Executive Director, Chief Operating Officer of POI since January 2019. She is in charge of Tech&Ops that includes the back-office department as well as the IT and support department. She graduated from Université de Montréal with a Bachelor of Law and was then admitted to the Québec Bar as a lawyer following the completion of the Bar training. She is certified as a Compliance Regulatory and Compliance Professional (CRCP) from FINRA Institute at Wharton School of Business. She started working in the industry in 2000, working on the Montreal Exchange trading floor and then in various Canadian firms where she acquired experience in the legal and finance field. She joined Pictet in 2010, having held roles in compliance including Vice President and Chief Compliance Officer of Pictet Canada L.P., Pictet Overseas Inc. and Pictet Asset Management Inc., as well as Head of Compliance for Pictet Trading & Sales.

Gaspere La Sala – Director

60, route des Acacias, 1211 Geneva 73 - Switzerland

Mr. La Sala is a Director of POI; he is not involved in the operations or in the supervision of AP's.

Mr. La Sala joined the Pictet Group on September 1st, 2012 as Head of Group Treasury. As of January 1st, 2020, he was appointed as CEO of the Pictet Trading & Sales division. Previously, Gaspere had various senior roles in Treasury and Trading at UBS in Zurich, London and New York. Among others, he was the Head of the divisional Treasuries of the Wealth Management and the Retail Divisions, Head of Group Liquidity Management, Global Head of Balance Sheet Management in the Investment Bank, as well as Head of Rates Derivatives Trading in Switzerland.

Mr. La Sala has 25 years of experience in the fields of treasury and trading. He holds a Master of Science degree in Mathematics from the University of Zurich, Switzerland, as well as an MBA degree from the University of Wales, UK. He is also a CFA charter holder.

Philippe Givel – Director

60, route des Acacias, 1211 Geneva 73 - Switzerland

Mr. Givel is a Director of POI; he is not involved in the operations or in the supervision of AP's. Mr. Givel is a former Co-President of POI and has been in the financial industry for 30 years. He is currently an Executive Vice President at Banque Pictet & Cie SA and is the Head of Sell Side for the banks trading division. He received a Bachelor in Economics from the University HEC Lausanne and he later completed a Master's degree in Financial Analysis from the "Centre de Formation des Professionnels de l'investissement".

Grégory Petit – Director

60, route des Acacias, 1211 Geneva 73 – Switzerland

Mr. Petit is a Director of POI; he is not involved in the operations or in the supervision of AP's. Mr. Petit joined the Internal Audit department of the Pictet Group in 2008 that he was heading from 2014 to 2017. He was appointed Group Chief Financial Officer in 2018 and an Equity Partner in 2020. Prior to joining the Group, Mr. Petit worked at the Ernst & Young in Assurance and also in the banking industry. Mr. Petit has 26 years of experience in the fields of Audit, Financial and Regulatory Reporting, and Treasury. He holds a Master of Finance degree from the Paris School of Business and is a Swiss CPA.

Stephane Zimmermann – Division Head

1000 de La Gauchetière West, Suite 3100, Montréal (Québec) Canada H3B 4W5

As the Head of Trading (Americas), Mr. Zimmermann oversees providing execution services for all products offered by the Firm. This subsequently includes ensuring that a proper customer service is offered to all clients. The Head of Trading supervises trading activities as well as all account openings. Mr. Zimmermann reports to Eric Hamid (President) and has supervisory responsibilities over APs.

Mr. Zimmermann has been involved in the financial markets as a trader for over 25 years. He completed a diploma in Commerce at "L'École de Commerce" in Neuchatel Switzerland.

Remy Antoine Best – Indirect Owner

60, route des Acacias, 1211 Geneva 73 – Switzerland

Remy Best is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. Best has been a Managing Partner of the Pictet Group since 2003. He currently oversees the Human Resources, Legal, Risk & Compliance, and Corporate Office departments; the latter handles the Pictet Group's strategic projects. Mr. Best is also Chairman of the Executive Committee of Banque Pictet & Cie SA. Before joining Pictet in 1997, Mr. Best spent six years at McKinsey & Co. Prior to that he was a lawyer with the Geneva law firm Lalive Budin & Partners.

Mr. Best holds an MBA from INSEAD and a degree in Law from the University of Geneva. He was admitted to the Geneva Bar in 1990.

Renaud Fernand de Planta – Indirect Owner

60, route des Acacias, 1211 Geneva 73 – Switzerland

Renaud de Planta is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. de Planta has been Senior Managing Partner of the Pictet Group since 1 September 2019 and a Managing Partner of the Pictet Group since joining Pictet in 1998. He oversees the Group's Finance, Tax, Internal Audit, and Communications departments. Mr. de Planta is also Chairman of Pictet Asset Management, the Pictet Group's institutional arm, having managed the division between 1998 and 2016. He previously spent 12 years with UBS, where he held various management positions, ending his career there as Global Head of Equity Derivatives at UBS Warburg in London.

Mr. de Planta holds an MBA from the University of Chicago and a doctor-ate (PhD) in Financial Economics from the University of St Gallen.

Bertrand Francois Lambert Demole – Indirect Owner

60, route des Acacias, 1211 Geneva 73 – Switzerland

Bertrand Demole is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. Demole has been a Managing Partner of the Pictet Group since 2011. He is responsible for the Pictet Trading & Sales and Pictet Asset Services divisions. Before joining Pictet in 2001, he worked as a currency options trader and quantitative strategies analyst with Moore Capital Management (New York), a global macro hedge fund. In 1999 he joined Soditic Ltd in London as an investment manager. Mr. Demole holds an MBA from INSEAD and a Master's in Finance and Economics from Babson College (Boston).

Marc Philippe Pictet – Indirect Owner

60, route des Acacias, 1211 Geneva 73 – Switzerland

Marc Pictet is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. Pictet has been a Managing Partner of the Pictet Group since 2011. He has direct responsibility for the Pictet Wealth Management Division. Mr. Pictet is also Chairman of the Board of Directors of Pictet & Cie (Europe) SA. Before joining Pictet in 2001, he worked as an analyst at Prudential Investments in Newark. He then moved to Sal. Oppenheim's Private Banking Department in Cologne. Mr. Pictet holds an MBA from Boston University and a degree in Business Administration from Bryant College.

François Charles Henri Pictet – Indirect Owner

60, route des Acacias, 1211 Geneva 73 - Switzerland

François Pictet is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. Pictet has been a Managing Partner of the Pictet Group since 2022. He is responsible for the Technology & Operations division and also oversees Pictet Wealth Management's commercial efforts in Asia and the Middle East. Before being named Managing Partner, he was Head of the Pictet Investment Office, the ultra-high-net-worth investment arm of Pictet Wealth Management. Prior to joining Pictet in 2015, he worked at the private equity firm AEA Investors in London. Prior to that he was in M&A advisory at Credit Suisse in Zurich and at two non-governmental organizations active in the fields of microfinance and socially responsible investing.

Mr. Pictet holds a Master's degree of Advanced Studies in Business Law from the University of Geneva and Lausanne.

Elif Aktug – Indirect Owner

60, route des Acacias, 1211 Geneva 73 - Switzerland

Elif Aktug is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mrs Aktug has been a Managing Partner of the Pictet Group since 2022 and is the CEO of Pictet Alternative Advisors. She is also Chair-woman of the Board of Pictet Alternative Advisors Holding SA. Before being named Managing Partner, Mrs Aktug was Equity Partner and Lead Manager of the Agora strategy (catalyst-driven market neutral hedge fund) within Pictet Asset Management. Prior to joining Pictet in 2011, she was a Managing Director with Goldman Sachs in London, having worked both in M&A advisory and proprietary trading.

Mrs Aktug holds an MBA from the Stanford Graduate School of Business and a degree in Finance from the Institut d'Etudes Politiques de Paris.

Laurent Anastase Ramsey – Indirect Owner

60, route des Acacias, 1211 Geneva 73 – Switzerland

Laurent Ramsey is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. Ramsey has been a Managing Partner of the Pictet Group since 2016 and co-heads Pictet Asset Management with Sébastien Eisinger. He also oversees the Group's Real Estate, Logistics and Physical Security division. In addition, Mr. Ramsey is Chairman of the Pictet Group Sustainability & Stewardship Board and sits on the Board of the Pictet Pension Fund. He joined Pictet in 1993 and has held various senior management positions at Pictet Asset Management in Geneva, Hong Kong, Singapore and London. Mr. Ramsey holds a Master's in International Management and a degree in Business Administration from HEC Lausanne School of Business and Economics.

Sébastien Auguste Joseph Eisinger – Indirect Owner

60, route des Acacias, 1211 Geneva 73 – Switzerland

Sébastien Eisinger is an indirect owner (of more than 10%) of POI but does not have specific duties or otherwise act as principal of POI's FCM activities. Mr. Eisinger has been a Managing Partner of the Pictet Group since 2019 and co-heads Pictet Asset Management with Laurent Ramsey. In addition, he has been Head of Investments of Pictet Asset Management since 2017. Before being named Managing Partner, Sébastien was Deputy CEO of Pictet Asset Management, having held various positions in the Group's institutional division in Switzerland and Japan. Prior to joining Pictet in 1999, Mr. Eisinger worked for four years in institutional management at Lazard Gestion in Paris.

Sopafin Luxembourg SA – Holding Company

51 Avenue J.F. Kennedy, Luxembourg L-1855

Sopafin Luxembourg SA is the direct owner POI but does not intervene in POI's FCM activities.

Further details are available at the NFA Background Affiliation Status Information Center (BASIC) database search by clicking [here](#).

Risk Practices, Controls, and Procedures

POI has implemented a comprehensive Risk Management Program ("RMP"). As with any risk management program, the RMP cannot fully eliminate risk associated with the activities of the Firm; however, POI's RMP seeks to manage and mitigate risk to an acceptable level. The RMP identifies key risks of the Firm and assigns risk tolerance limits. The RMP monitors and addresses the following risks: market, operational, credit, treasury, capital, and liquidity. The Risk Management Unit ("RMU") administers the Firm's RMP and procedures that includes (but is 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 RMP includes procedures and controls to monitor and detect various risk tolerance levels, to detect breaches of risk tolerance limits set by the Firm, and to alert supervisors and senior management, as appropriate. Exceptions to risk tolerance limits are subject to written policies and procedures and may only be considered for review in extraordinary circumstances, and only following a thorough due diligence analysis and with the knowledge and approval of senior management. The RMP also includes annual training on various areas of customer funds, including proper handling of customer funds. Senior management reviews and approves risk tolerance limits on a periodic basis. The Firm provides written exposure reports to the CFTC on a quarterly basis.

Material Risks

In addition to the risks inherent in trading futures and options, as outlined in the Company's Risk Disclosure Statement, other risk factors exist, including those described below. Prospective clients should consider all of the risk factors described below and in the Appendix A before opening an account.

Credit Risk

FCMs encounter a number of different types of credit risks. The following discussions identify a couple of the common credit risks associated with the Firm:

Customer Credit Risk - Credit risk arises from the potential inability of a customer or counterparty to perform in accordance with the terms of open contracts. The Firm's exposure to credit risk associated with a customer nonperformance is limited to the current cost to replace all contracts in which the client has a loss.

Counter Party Risk –

Futures and options are exchange-traded financial instruments, that generally do not give rise to significant counterparty exposure as contracts are cleared through the exchanges. Exchanges have restrictive risk management procedure and margin requirements contribute to reduce this risk.

The Firm use carrying brokers where it has an exposure to the amount of the excess margin requirement. Carrying brokers that are regulated by the CFTC regulation and must comply to segregation duties, hence reducing the risk. The Firm is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. The Firm maintains its cash balance in financial institutions, which at times may exceed federally insured limits. The excess amounts are not believed to be exposed to any significant credit risk.

Market Risk

POI does not engage in proprietary trading and concentrate only on executions reducing its exposure to market risk. POI could be subject to market risk when executing customers' transactions in error. POI invest only in short term and in high-grade securities reducing revaluation risk. Moreover, POI avoids non-USD currency exposure reducing currency risk.

Liquidity Risk

Liquidity risk is the risk from an entity's inability to meet its cash or collateral obligations when they come due without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

The Firm has entered into a subordinated loan agreement with its parent company. This agreement has been approved by FINRA and is included in the capital of the Firm when calculating the Firm's Capital. Under the terms of this agreement, before this loan can be called, several conditions need to be maintained including FINRA's approval. Notwithstanding this, the Firm generally maintains a significant amount of excess cash within their segregated and secured account balances and also in its own proprietary accounts. The Firm maintains sufficient cash to cover its operational needs and invests the balance in highly liquid financial instruments that can easily be converted to cash, as necessary. These highly liquid financial instruments are generally high credit quality instruments with an average maturity

off less than 5 years. The Firm does not currently invest in mortgage-backed security therefore, there's no weighted average coupon rate associated with the firm investments.

Operational Risk

Operations risk is the potential that deficiencies in information systems or internal controls will result in unexpected loss. Some specific sources of operating risk at FCMs may include inadequate procedures, human error, system failure, or fraud. Back-office or transaction-processing operations are potential areas of operations risk. Operations risk also includes potential losses from computer and communication systems that are unable to handle the volume of Firm transactions, particularly in periods of market stress. The Firm has procedures that address the operations risks of these systems, including contingency plans to handle system failures and back-up facilities for critical parts of risk management, communication, and accounting systems.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of violations of, or non-conformance with, laws, rules, regulations, prescribed practices, or ethical standards. Compliance risk also arises in situations in which the laws or rules governing certain products or activities of the Firms' clients may be ambiguous or untested. This risk exposes the institution to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to a diminished reputation, reduced franchise value, limited business opportunities, lessened expansion potential and lack of contract enforceability. The Firm seeks to implement a robust compliance regime to ensure adherence with regulatory and legal requirements on an ongoing basis.

Affiliate Risk

The Firm has limited direct exposure to risks associated with its affiliates since it has not entered into a guarantee agreement on behalf of an affiliate. The Firm does not invest any funds with its affiliates.

Other Material Risks

The Firm's principal liabilities, creditworthiness, leverage, balance sheet leverage, capital, other lines of business and material commitments:

- POI is a FCM and a Broker Dealer that focuses substantially all its resources on the execution of equity and futures contracts for customers.
- POI holds its assets in cash, term deposit and short term and in high-grade securities reducing revaluation risk.
- The Firm's principal liabilities consist of customer funds on deposit.
- As a FCM, POI is subject to the net capital requirements under Regulation 1.17 of the Commodity Exchange Act. Under these provisions, the Firm is required to maintain minimum net capital, as defined, of the higher of \$1,000,000, or the sum of 8 percent of customer and 8 percent on non-customer risk maintenance margin requirements on all positions.
- POI currently has a Subordinated loan with its parent company in the amount of USD\$12,000,000. This loan (SL-31D) is subordinated to claims of general creditors and was approved by FINRA and other regulatory authorities under the SEC Uniform Net Capital Rule. The loan was included in the Firm's capital effective Apr 25, 2019. This loan may not be repaid unless first approved by FINRA. The loan bears interest at a fixed rate.

- POI has a USD \$10,000,000 line of credit with Bank of Montreal (the Bank) that is secured by the Firm's US treasury notes. As of November 30, 2022, no amount is due under this agreement.
- POI's balance sheet leverage is calculated and reported monthly to the NFA. As of November 30, 2022, POI's balance sheet leverage was 1.74.
- POI does not engage in any leverage transactions.
- POI is not publicly traded and as such, does not have its own credit rating. It is a member of an international group of companies of which BPSA is the principal entity. The Pictet Corporate ratings can be found at: <https://www.pictet.com/ca/en/about/pictet-corporate-ratings>.

Financial Data

Capital and net worth

As a FCM, POI is subject to the net capital requirements under Regulation 1.17 of the Commodity Exchange Act. Under these provisions, the Company is required to maintain minimum net capital, as defined, of the higher of \$1,000,000 or the sum of 8 percent of customer and 8 percent of non-customer risk maintenance margin requirements, on all positions. Adjusted net capital and risk maintenance margin requirements change from day to day.

As of November 30, 2022, the Firm had a net capital requirement of \$12,357,186 and had adjusted net capital of \$50,968,426 with excess net capital of \$38,611,240. As of November 30, 2022, the Company was compliant with regulatory capital requirements.

As of November 30, 2022, the Firm total equity and net worth was \$42,431,438 in accordance with U.S. Generally Accepted Accounting Principles (Unaudited).

Asset and Capital Allocation

POI type of business activities and approximate percentage of assets and capital used.

Pictet Overseas Inc
Percentage of Asset and Capital allocation by activity as of November 30, 2022

Activity	Percentage of Assets	Percentage used of total Capital
Futures	52%	36%
Securities (incl. Options)	48%	9%
Excess Net Capital	n/a	55%
TOTAL BALANCE SHEET	100%	100%

Customer Concentration

The Company services a diverse group of domestic and foreign corporations and individuals and also has an Omnibus account with Banque Pictet & Cie. SA., "BPSA". As of November 30, 2022, BPSA's Omnibus account represented more than 90% of firm's overall trading volume and required balance as of the reporting date in each of the Segregated and Secured accounts.

Notional Value

The aggregate notional value, by asset class, of all non-hedged, principal over-the-counter transactions into which the Company is entered:

POI does not participate in non-hedged, principal over-the-counter transactions.

Unsecured Lines of Credit

As of November 30, 2022, the Firm does not have any unsecured lines of credit.

Illiquid Financial Products

The aggregated amount of financing that the FCM provides for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices:

POI does not provide financing for illiquid financial products.

Uncollectable Accounts

In the past 12-month period the Company has not had any material losses related to uncollectable accounts.

Litigation

There has been no civil litigation, criminal complaints, or regulatory actions against Pictet Overseas Inc.

Information Regarding Complaints

In the event that a customer can't resolve a dispute with the FCM, the customer has the option of filing a complaint with either the CFTC or with the Firm's designated self-regulatory organization ("DSRO"), the NFA. The CFTC's Web site provides information regarding the Division of Enforcement and other programs available for complainants. Alternatively, customers may wish to file a complaint with a FCM's DSRO on the NFA's Web site. Customers should refer to the Consent to Jurisdiction section of the Customer Agreement for dispute resolution and jurisdictional provisions that may apply.

Additional disclosure – trading and settlement

Please be advised that trades will be subject to U.S. business hours and settlement times as set forth in the rules applicable to U.S. exchanges and/or clearing houses.

RISK DISCLOSURE STATEMENT – as required by CFTC rule 1.55(b) –

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:

(1) You may sustain the total loss of the funds that you deposit with your broker to establish or maintain a 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 instruments that a futures commission merchant may invest customer funds in.

(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 of 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 at <https://www.pictet.com/ca/en/legal-documents-and-notes/pictet-overseas-inc>.

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:

(13) 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.

(14) 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.

- End of document -