Risk Disclosures for Interactive Advisors Asset Allocation Portfolios

You have elected to invest in an Asset Allocation portfolio managed by Interactive Advisors, the trade name of Covestor Limited. Please read and acknowledge the following disclosure of the potential risks of investing in these portfolios.

Overview

Asset Allocation portfolios are proprietary investment portfolios designed and managed by Interactive Advisors. Each Asset Allocation portfolio seeks, as its investment objective, to achieve growth as well as stability by combining different asset classes. Interactive Advisors tries to combine different asset classes in each portfolio to provide income, growth and stability during different economic conditions while taking into account the various asset classes' historical performance. Interactive Advisors offers three different types of Asset Allocation portfolios, which clients may invest in, based on their responses to a risk questionnaire. Depending on the risk score Interactive Advisors assigns to them based on their answers to the risk questionnaire, clients will be able to invest in a **Conservative**, **Moderate** or **Aggressive** Asset Allocation portfolio. Furthermore, these three types of portfolios are managed differently depending on whether a client wants to invest a retirement savings type account (IRA accounts) or a non-retirement investment account. Based on clients' answers to a risk question about their interest in an Environmental, Social, and Governance ("ESG")-focused strategy, Interactive Advisors also recommends six additional Asset Allocation portfolios investing in ESG-focused Exchange Traded Funds ("ETF"). The Asset Allocation portfolios generally invest in **10-14 ETFs**. Interactive Advisors generally selects the ETFs in each Asset Allocation Portfolio to best represent the target asset class while having relatively low management fees and being relatively liquid. Additional information on the research undertaken and method used to select the investments for these portfolios is available on each portfolio page and the white paper on our webpage at: https://interactiveadvisors.com.

To provide and manage these portfolios, Interactive Advisors initially funds and trades a fixed amount of its funds in separate proprietary brokerage accounts associated with each Asset Allocation portfolio. After the initial investments, Interactive Advisors reserves the discretion to add additional funds to these firm-owned accounts in order to more efficiently manage these portfolios. Interactive Advisors then replicates the trading in these proprietary brokerage accounts in the accounts of clients investing in each specific Asset Allocation portfolio. Interactive Advisors rebalances the Asset Allocation portfolios on a quarterly basis to their target allocations. The exact quarterly rebalance date is randomized. Quarterly rebalancing trades will result in transactions in many or all of the ETFs in which the Asset Allocation portfolios (and your account) invest in. Whenever Interactive Advisors buys and sells securities in the Asset Allocation portfolios, you will incur transaction costs, such as commissions payable to Interactive Brokers LLC (Interactive Advisors' affiliated broker-dealer), which is a conflict of interest. Interactive Advisors tries to mitigate this conflict of interest with low basket trading commissions. You will need to report some (or all) of these trades on your tax forms. Interactive Advisors cannot provide tax advice or prepare tax documents for you. Please consult an accountant or tax attorney to determine the tax-related obligations associated with investing in these portfolios. Please note that Interactive Brokers LLC provides certain tools to assist you with your tax filings, but these tools may only be able to support a limited number of trades.

As with any other portfolio on its platform, Interactive Advisors only allows you to invest in an Asset Allocation portfolio if it is suitable for you in light of your financial situation and investment objectives that you described to Interactive Advisors in response to our risk questionnaire. You may restrict the symbols traded in your account at any time and Interactive Advisors will honor these restrictions when replicating the trading in any Asset Allocation portfolio you invest in. Please be aware that imposing restrictions on future investments and selling any existing holdings in your Asset Allocation portfolio may affect the performance of your account and lead to your account performing differently, better or worse than the Interactive Advisors account underlying the portfolio.

At least annually, Interactive Advisors or your own wealth manager (if you have authorized your wealth manager to invest on your behalf with Interactive Advisors) will contact you to determine whether there have been any changes in your financial situation or investment objectives and whether you want to impose new or revise existing restrictions on the trading in your account. Also, at least quarterly, Interactive Advisors will ask you in writing to contact us if there have been any changes in your financial situation or investment objectives or you wish to impose any restrictions on the trading in your account.

You should keep Interactive Advisors informed of any changes in your financial situation or investment objectives and should periodically review and update your answers to Interactive Advisors risk questionnaire and the list of securities you specified should not be traded in your Interactive Advisors account.

You will receive periodic statements and trade confirmations setting forth all transactions in your account, all contributions and withdrawals, all fees and expenses charged, and the value of your account at the beginning and end of the period, including any fractional share holdings and transactions.

Interactive Advisors client service representatives are available to discuss and explain investment decisions made for your Asset Allocation portfolio investments and may be contacted by telephone at 1-866-825-3005 and by email at support@interactiveadvisors.com.

In the future, Interactive Advisors may construct and offer to its Clients other Asset Allocation portfolios than those offered at this time.

You can find additional information on Interactive Advisors Asset Allocation portfolio construction process, actual trading results, and other disclosures on the Interactive Advisors website at https://interactiveadvisors.com.

Principal Risks of Investing in the Asset Allocation Portfolios and the Stock Market Generally

As with any investment, there are a number of general risks associated with investing in an Asset Allocation portfolio. These include the following:

- You may lose all or part of your investment in the portfolios, or your investment may not perform as well as other investments or may fluctuate significantly due to short-term or long-term market movements;
- There is no assurance that these portfolios and strategies will meet their investment objectives, work as intended or perform as well as other investment strategies;
- No asset allocation model is a guarantee against loss of principal;
- Asset Allocation portfolios may not be suitable for all investors; and
- Past performance is no guarantee of future results, and any actual returns could differ from historical returns. Investments in these portfolios are subject to the risks discussed here and in Interactive Advisors Informational Brochure (Form ADV Part 2 filing) on the Forms and Agreements page on the Interactive Advisors website. Any of these risks may adversely affect the portfolios' yield, total return, and ability to meet their investment objectives.

Investments in these portfolios are subject to the risks discussed here and in Interactive Advisors' Informational Brochure (Form ADV Part 2 filing) on the Forms and Agreements page on the Interactive Advisors website. Any of these risks may adversely affect the portfolios' yield, total return, and ability to meet their investment objectives.

We provide a summary of the principal risks of investing in these portfolios (and the underlying ETFs) below. We urge clients planning to invest in these portfolios to review the risk discussion in the prospectus for each ETF these portfolios invest in. Please contact us to obtain a listing of all the ETFs these portfolios invest in.

ETF market risks - ETFs, in which these portfolios invest, are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but, in general, they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

ETF tracking error risk - Tracking errors refer to the disparity in performance between an ETF and its underlying index, market benchmark or assets the ETF is designed to track. Tracking errors can arise due to factors such as: (a) the impact of transaction fees and expenses incurred by the ETF, but not the underlying assets held or index tracked; (b) changes in the composition of the underlying index/assets; (c) market supply and demand for the ETF or the underlying securities held by the ETF, which could lead to the ETF shares trading at a discount or premium to the actual net asset value of the securities held by the ETF; (d) the ETF's holding of uninvested cash; (e) differences in the timing of the accrual or valuation of distributions; (f) tax gains or losses, and (g) the ETF manager's replication strategy. Because they hold and track other instruments, ETFs generally have higher liquidity and valuation risk than other securities. Also, ETF tracking error risk could be higher during times of increased market volatility and uncertainty or other unusual market conditions.

ETF liquidity risk - Market Makers are exchange members that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more Market Makers, there is no assurance that active trading will be maintained. In the event that the Market Makers default or cease to fulfill their role, investors may not be able to buy or sell the product. Interactive Advisors attempts to reduce this risk by selecting ETFs with more liquidity.

Costs associated with investing in ETFs through Interactive Advisors - In addition to the advisory fees you pay to Interactive Advisors for the management of the Asset Allocation portfolios and the commissions you pay to Interactive Brokers LLC for transactions in your Interactive Advisors account, you will be charged other fees and expenses by the issuer of an ETF you own in your Interactive Advisors account. This means that you will pay more for ETFs you invest in through the Asset Allocation portfolios than if you purchased these ETFs directly. ETFs typically include certain embedded expenses that reduce the fund's net asset value and indirectly the performance of your portfolio investing in ETFs. The embedded expenses of an ETF include ETF management fees, custodian fees, brokerage commissions, and legal and accounting fees. These expenses may change from time to time at the sole discretion of the ETF issuer. Please note that Interactive Advisors does not benefit either directly or indirectly from these fees. In the future, Interactive Advisors may disclose additional information regarding the costs associated with owning the ETFs in the Asset Allocation portfolios on its website. In the meantime, if you have questions about the costs associated with specific ETFs included in the Asset Allocation portfolios, please email or call us directly. Interactive Advisors generally invests in ETFs with lower expenses. Please note that the fees you will pay to the ETF issuers when you invest in the ESG-focused ETFs and portfolios will be higher than those you pay for non-ESG-focused ETFs and portfolios.

Market risk - The price of any security or the value of entire asset classes could decline for reasons outside of Interactive Advisors' control, such as changes in the economy, interest rates, regulatory changes, political and social events. A high allocation to a specific asset class will negatively affect the performance of a portfolio when that class underperforms in comparison to other asset classes, while a low allocation to a given asset class may underperform the market when that asset class outperforms other asset classes. Interactive Advisors tries to mitigate the market risk associated with investments in the Asset Allocation portfolios by designing them as mixtures of equities and fixed income investments with the objective of providing income, growth and stability during different economic conditions while taking into account the various asset classes' historical performance.

Passive investing risk - Some of the ETFs these portfolios invest in are not actively managed and their managers generally do not attempt to take defensive positions under any market conditions, including declining markets, which could negatively affect the performance of these ETFs and consequently the portfolios.

Small fund risk - Some of the ETFs the portfolios invest in could be small, experience low trading volume and wide bid/ask spreads, and even face the risk of being delisted if they no longer meet the conditions of the listing exchange.

Dividend-paying stock risk - Some of the ETFs invest in dividend-paying stocks which could fall out of favor with investors and underperform the broader market. There is no guarantee that issuers of these stocks will continue declaring dividends in the future or, that, if declared, they will either remain at current levels or increase over time.

Non-diversification risk - Some of the ETFs these portfolios invest in may be non-diversified as they invest a large portion of their assets in securities issued by a small number of issuers, making these ETFs' performance dependent on the performance of a small number of issuers. The value of these ETFs' shares may be more volatile than the value of more diversified ETFs.

Interest rate risk associated with bond ETFs - The portfolios will invest in bond or fixed income ETFs. These ETFs are exposed to interest rate risk, which is the risk that underlying bond prices will decline because of rising interest rates. An increase in interest rates may cause the value of bond or fixed-income ETFs held by the portfolios to decline, which could lead to heightened volatility in the fixed-income markets, and adversely affect the liquidity of fixed-income ETFs. The current historically low-interest rate environment exacerbates the risks associated with rising interest rates.

Call and prepayment risk - When interest rates fall, issuers of callable bonds held by an ETF these portfolios invest in may call or repay the security before its stated maturity, which could lead the ETF to reinvest the proceeds in securities with lower yields or higher risk of default, potentially resulting in a decline in the ETF's income or return potential or an increase in its risk profile.

Extension risk - When interest rates rise, certain debt obligations could be paid more slowly than originally anticipated, leading to the value of those securities to drop dramatically, resulting in a decline in the ETF's income and the value of its investments.

Income risk - When interest rates fall, a fixed income ETF's income may decline because the ETF will need to invest in lower-yielding bonds when existing bonds mature, are getting close to maturity, are called, or when the ETF needs to purchase additional bonds.

Credit risk associated with corporate bonds ETFs - The portfolios will invest in corporate bond ETFs. These ETFs are exposed to the risk that the corporations issuing the debt or other counterparties may be unable or unwilling to make timely interest and/or principal payments when due or honor any of their other obligations. This could negatively affect the debt issuer's credit rating or the market's perception of that debt issuer's ability to make payments, which could in turn negatively affect the value of these portfolios' investments in the corporate ETFs. The degree of credit risk associated with the corporate bond ETFs depends on the financial condition of the issuers of the underlying instruments and the terms of the underlying bonds the ETFs invest in.

Mortgage-backed securities risk - Some of the ETFs in these portfolios invest in mortgage-backed securities, the value of which is subject to movements in interest rates and to the risk of default on the underlying mortgages, prepayment or call risk and extension risk. Due to these risks, mortgage-backed securities react differently than other bonds to changes in interest rates. Default or bankruptcy of a counterparty to a mortgage-related transaction would expose the ETFs to losses. For instance, even small upward or downward movements in interest rates could rapidly and significantly reduce the value of certain mortgage-backed securities.

High-yield securities risk - Some of the ETFs invest in securities that are rated below investment-grade, referred to as as junk bonds, which may be deemed speculative, involve greater levels of risk than higher-rated securities of similar maturity, and be more likely to default.

Tax and other risks associated with municipal bond ETFs - The portfolios will invest in municipal bond ETFs. These ETFs are exposed to the risk that all or a portion of the tax-exempt income from municipal bonds held will be declared taxable, potentially retroactively, due to changes in tax laws or adverse interpretations by the Internal Revenue Service or state or local tax authorities. A significant restructuring of federal income tax rates or even serious discussion of this in Congress could cause municipal bond prices to fall. Municipal bonds could also be adversely affected by changes in the rights of municipal bond holders, including those in connection with the insolvency of the issuing municipality. Municipal bonds used to finance and backed by current or anticipated revenues from a specific project or asset could be adversely affected by the inability to collect revenues from that project or asset.

ESG (Environmental, Social and Governance) investment strategy risk - Six of the Asset Allocation portfolios use an ESG investment strategy, which limits the types and number of investment opportunities available to this portfolio and could underperform asset allocation portfolios without an ESG focus, offered on the Interactive Advisors platform or elsewhere. These portfolios' ESG investment strategy could result in these portfolios investing in ETFs focused on securities, industries or sectors that underperform the market as a whole, foregoing opportunities to invest in securities, industries or sectors that might otherwise be advantageous to invest in, and underperforming other portfolios or investments screened for different ESG standards. Also, Interactive Advisors could be unsuccessful in creating portfolios investing in ETFs made up of companies that exhibit positive or favorable ESG characteristics, and the ETF manager (or the provider of the index the ETF seeks to track) may not succeed in selecting issuers that exhibit positive or favorable ESG characteristics. Additionally, the ESG-focused ETFs these six Asset Allocation portfolios invest in have been launched relatively recently (2016-2018), have short performance histories and may not be successful in implementing an ESG investment strategy. The performance of the ESG-focused Asset Allocation portfolios is expected to be similar to that of the non-ESG Asset Allocation portfolios, but Interactive Advisors does not claim and cannot guarantee that this will be the case in the future, given the limited performance history available for the ESG-focused ETFs these portfolios invest in and the fact that past performance is no guarantee of future results. The expense ratios associated with the ESG-focused ETFs these six Asset Allocation portfolios invest in are higher than those associated with their non-ESG ETF counteraparts.

New portfolio risk - Interactive Advisors started trading the first set of Asset Allocation portfolios in November 2017, and the second set in May 2019. Therefore, these portfolios have no operating or actual performance history before November 2017 and May 2019, respectively. Clients investing in these portfolios bear the risk that Interactive Advisors may not be successful in implementing its investment strategy.

Sector and concentration risks - A portfolio may carry higher risk of loss to the extent it or its underlying ETFs are significantly composed of assets in a particular sector, issuer, group of issuers, country, group of countries, region, market, industry, or asset class. In managing these portfolios, Interactive Advisors attempts to avoid excessive concentration in individual sectors of the market, but may not be successful. Additionally, Interactive Advisors cannot control how concentrated the underlying ETFs are in specific sectors, issuers, countries, regions, asset classes, etc. For instance, some of the ETFs are concentrated in sectors such as: industrials (which could be adversely affected by changes in supply and demand for products and services, product obsolescence, changing economic conditions, claims for environmental damage and product liability) information technology (which could be affected by intense competition, rapid product obsolescence, and heavy dependence on intellectual property rights), financials (which could be affected by changes in government regulations, economic conditions, interest rates, credit rating downgrades, decreased liquidity in credit markets, and cyberattacks and security malfunctions), banking (which could be more susceptible to interest rate changes, adverse developments in the real estate market, fiscal, regulatory and monetary policy and general economic cycles) and utilities (which is subject to significant government regulation and oversight, and could be adversely affected by increases in fuel and operating costs, rising costs of financing capital construction and the cost of complying with regulation).

Risks of investing in specific countries or regions - Some of the ETFs make investments in countries or regions presenting unique risks. For instance, investments in China could be affected by that country’s exposure to considerable degrees of economic, political and social instability as (a) Chinese markets continue to experience inefficiency, volatility and pricing anomalies due to government influence, lack of publicly available information and political and social instability and (b) a reduction in spending on Chinese products and services, tariffs or trade barriers, including heightened trade tensions between China and the U.S., or a downturn in the economies of China’s main trading partners, could adversely impact the Chinese economy. Similarly, investing in Russian securities presents legal, regulatory and economic risk, and existing and future economic sanctions on Russian individuals and corporate entities could adversely affect Russia’s economy. Investing in Japan is subject to risks related to Japan’s low economic growth relative to other economies since 2000, the risk of natural disasters such as earthquakes, typhoons, tsunamis and volcanic eruptions, and the sometimes tense relations with its neighbors who are important trading partners (e.g., China). Investments in emerging markets could be subject to greater risk of loss than those in more developed markets because emerging markets may be more likely to experience inflation, political turmoil and rapid changes in economic conditions and have less reliable securities valuations and greater risk associated with custody of securities. Conversely, investments in developed countries present different types of risks: slower economic growth than less developed countries, security and terrorism concerns, dependence on changes in economic conditions of certain key trading partners, regulatory burdens, debt burdens and the availability of certain commodities.

Capitalization size risks - Some of the ETFs invest in large-capitalization companies and could thus trail the returns of ETFs investing in smaller and mid-sized companies because large companies adapt more slowly to competitive challenges and may grow less during times of economic expansion. But large-capitalization companies tend to be less volatile than companies with smaller market capitalizations. Other ETFs in these portfolios invest in securities of small or mid-capitalization companies, which may have better return potential, but be riskier, more volatile, less liquid and more sensitive to adverse business and economic developments than securities of larger companies. For instance, small companies have more limited product lines, markets or financial resources and depend on a few key employees and their securities may trade less frequently and in smaller volumes than securities of larger companies. As a result, ETFs investing in smaller companies may be unable to liquidate their positions in these securities or at a favorable price.

Regulatory risk - The portfolios are subject to the risk that a change in US law and related regulations will impact the way Interactive Advisors manages these portfolios, increase the particular costs of their operation and/or change the competitive landscape. This may result in Interactive Advisors deciding to cease offering these portfolios.

Asset Allocation Portfolio investment limitations - In accordance with applicable regulatory requirements, Interactive Advisors will not allow clients to make any initial, additional or recurring investments in an Asset Allocation portfolio 3 business days prior to the date of a quarterly rebalance. If you request such a transaction during this period, it will be sent for execution on the first trading day after the rebalance. You may redeem some or all of your investment in any Asset Allocation portfolio at any time. But, if you have a cash (rather than a margin) brokerage account and engage in redemptions less than 3 business days after the quarterly rebalance, Interactive Brokers LLC may require you to pay for purchases in your account on the date of each trade for the next 90 days. To avoid price swings around market open and close, client requests to invest in or redeem any investments in the Asset Allocation portfolios will be processed in the order in which they are received between 9:35 am and 3:50 pm ET.

Not a bank deposit - Your investment in one of the Asset Allocation portfolios or the underlying ETFs is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Conflict of interest risks and disclosures - As explained above, Interactive Advisors trades its own funds alongside the assets of the clients who invest in the Asset Allocation portfolios in order to effectuate its trade mirroring procedures. To avoid the potential for front-running, orders in Interactive Advisors-owned accounts are combined with orders in client accounts and submitted for execution to Interactive Brokers LLC in one or multiple trades. Executions are then allocated pro rata with participating accounts receiving the same average price per share and sharing transaction costs equally. These safeguards are described in the Investment Management Agreement you have signed and are intended to ensure Interactive Advisors adheres to its fiduciary duty to clients, and avoids or mitigates any conflicts of interest.

Management fees and commissions

In constructing the Asset Allocation portfolios, after reviewing available ETFs to identify the most appropriate ones to represent each asset class, Interactive Advisors has also attempted to select ETFs that have lower expenses and more liquidity. Interactive Advisors may provide more information on the expenses and liquidity for each ETF used in the Asset Allocation portfolios and the reason Interactive Advisors selected a specific ETF for one of these portfolios on its website in the future. In the meantime, if you have questions about the inclusion of a specific ETF in one of the Asset Allocation portfolios or its expenses or liquidity, please email or call us directly.

Interactive Advisors will charge clients investing in any of the Asset Allocation portfolios an annual management fee of **12 basis points (0.12%)** of the gross market value of the assets invested in each Asset Allocation portfolio. Unlike other robo advisor portfolio offerings which charge a single wrap fee which includes management fees and brokerage commissions, our management or advisory fee does not include the commissions for all trades in these portfolios. In addition, Interactive Brokers LLC will charge you commissions on all trades in your account. Interactive Brokers LLC has agreed to modify its standard tiered commission structure for Asset Allocation portfolio clients in a manner we believe will facilitate efficient investing in these portfolios. Under this commission structure, you will pay estimated annual brokerage fees (commissions, exchange, regulatory and clearing fees) of 1-6 basis points ($10-$60) depending on the size of the investment amount. For example, you will pay estimated annual brokerage fees (commissions, exchange, regulatory and clearing fees) of 2-3 basis points of the investment amount (or $20-$30) on a $100,000 investment in an Asset Allocation portfolio. The brokerage fees will vary depending on the amount you choose to invest in a portfolio and the specific Asset Allocation portfolio you invest in. Please also note that, under certain circumstances, Interactive Brokers LLC will charge you a minimum monthly commission charge of up to $10. Specifically, whenever the overall monthly commissions paid by all Interactive Advisors client accounts do not amount to at least $10 in commissions per account per month, Interactive Brokers LLC will collectively charge Interactive Advisors clients any difference between the actual commissions and the $10 minimum, on a pro rata basis. IB LLC can charge accounts with a net liquidating value of less than $2,000 up to $20 in minimum monthly commission. You may find additional information on Interactive Brokers LLC's commissions and minimum monthly commissions on the Interactive Advisors and Interactive Brokers LLC websites, including here: https://interactiveadvisors.com/low-fees; https://interactiveadvisors.com/forms-and-agreements/disclosures; and https://www.interactivebrokers.com/en/index.php?f=4969

In addition to the advisory fees you pay to Interactive Advisors and the commissions you pay to Interactive Brokers LLC, you will be charged other fees and expenses by third parties - for instance, the issuer of an ETF will charge you management fees. This means that you will pay more than if you purchased the ETFs in these portfolios directly. ETFs typically include certain embedded expenses that reduce the fund's net asset value, and indirectly the performance of your portfolio investing in ETFs. The embedded expenses of an ETF include ETF management fees, custodian fees, brokerage commissions, and legal and accounting fees. These expenses may change from time to time at the sole discretion of the ETF issuer. Please note that Interactive Advisors does not benefit either directly or indirectly from these fees.

Fractional share trading and related agency cross trades

Interactive Advisors is able to offer the Asset Allocation portfolios and the extensive diversification they are designed to achieve for even relatively small investments by offering Interactive Advisors clients the ability to trade fractional shares of the ETFs and stocks that the portfolios invest in. You will receive payments or value commensurate to your fractional ownership in the case of stock dividends, stock splits, mergers or other mandatory corporate actions (including cash dividends). ETFs and stocks cannot be traded in fractions on public exchanges, so Interactive Brokers LLC, Interactive Advisors' affiliated broker-dealer, facilitates trading in Asset Allocation Portfolios brokering all fractional share orders on behalf of Interactive Advisors clients against one or more liquidity providers. These liquidity providers will sell or buy fractional shares that Interactive Advisors clients would not otherwise be able to trade in the open market. These trades will occur either at the execution price the liquidity provider gets on the market for stocks it sells to Interactive Advisors clients or, if the fractional shares are provided from the provider's inventory, at the National Best Bid or Offer at the time of the order.

There is a potential conflict of interest in connection with these fractional transactions as Interactive Brokers LLC will act as broker for both Interactive Advisors clients and the liquidity provider counterparty to these transactions that you have consented to in the Investment Management Agreement. You may revoke your written consent to such transactions at any time by written notice to Interactive Advisors or Interactive Brokers LLC, as discussed in our Investment Management Agreement, but you will no longer be able to invest in these portfolios as they rely on fractional share investments. Interactive Advisors has determined that the benefits of offering fractional shares outweigh the negative effects of investing in them, but you should be aware of their unique features, risks and costs.

Please note that you own the shares held in your Interactive Advisors account, including fractional shares acquired as a result of your investment in an Asset Allocation Portfolio. No aspect of Interactive Advisors' management or operation of the Asset Allocation portfolios should be deemed as an attempt by Interactive Advisors to restrict in any way any rights you would otherwise have over the securities and funds in your account, including any fractional share holdings. ETFs and stocks cannot be traded in fractions on public exchanges and fractional shares are typically unrecognized and illiquid outside of the Interactive Advisors platform. So, if you want to liquidate your Asset Allocation portfolio investments, you will need to fully redeem your investment in which case Interactive Brokers LLC will sell any fractional shares to the liquidity provider and any whole shares to the market. If you want to transfer your Asset Allocation portfolio holdings to another brokerage firm, you will first need to sell your fractional shares to the liquidity provider through Interactive Brokers LLC. You will incur commissions on all of these trades.

Please note that Interactive Brokers LLC cannot facilitate customers voting proxies on fractional share holdings, does not provide a mechanism to make voluntary elections on your fractional holdings, and cannot provide you with any shareholder documentation for any holdings of less than one share.