



## **Client Account Opening Agreements and Disclosures**

**May 19, 2025**

This document compiles the agreements and disclosures that establish and govern the relationship between you, the Client, and Covestor Limited, doing business as Interactive Advisors. Please read this entire document carefully and retain it for future reference.

You also acknowledge that we have separately and simultaneously provided to you our firm's main disclosure document, the Informational Brochure (Part 2A and 2B of Form ADV).

**By electronically signing this document, you acknowledge receipt of a copy of this entire document and the Informational Brochure prior to entering into an advisory relationship with Interactive Advisors at the time you submit your account application through our website at [interactiveadvisors.com](https://interactiveadvisors.com).**

You will separately receive annual and/or other periodic updates to some of these documents and you will also receive certain other disclosures when you invest in our portfolios.

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# Customer Relationship Summary

Covestor Limited doing business as “Interactive Advisors”, “Interactive Advisers”, “Interactive Brokers Asset Management”, “IB Asset Management”, and “IBKR Asset Management”

## Effective January 24, 2025

Covestor Limited (“Covestor Ltd” or “Covestor”) doing business as (“dba”) Interactive Advisors (“IA” or “We”), is an investment adviser registered with the Securities and Exchange Commission (“SEC”). Brokerage and advisory services and fees differ, and it is important for you to understand the difference. This document is intended to help you understand the services we provide, the fees you will be charged, and any applicable conflicts of interest. Free and simple tools are available to research firms and individuals at [investor.gov/crs](https://investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

**What investment services and advice can you provide me?** We primarily provide retail investors an online investment management platform, although we make client support staff available for consultation on servicing and investment management issues. We **monitor** the performance of your portfolio investments continuously (i.e., daily). Our services to you are limited to the **discretionary** management of your assets. We offer retail investors only **two types of portfolios**: (1) *PM Portfolios* managed by third-party portfolio managers and (2) proprietary *IA Portfolios*. **Minimum account requirements** are \$100 for *IA Portfolios* and \$100-\$50,000 for *PM Portfolios*. You must open a brokerage account with our brokerage affiliate Interactive Brokers LLC (“IB”) to be able to invest in our portfolios. More detailed information can be found in Items 4 and 7 of our [Form ADV, Part 2A](#) and on <https://interactiveadvisors.com/> website.

**Conversation Starter: Ask your financial professional: Given my financial situation, should I choose an investment advisory service? Why or Why not?** Based on your objectives, risk tolerance, time horizon, and financial circumstances, if you (a) want to have access to a wide variety of investment choices (including but not limited to Smart Beta (“SB”), Asset Allocation (“AA”), Socially Responsible Investing (“SRI”), Index Tracking (“IT”), model ETF portfolios, and various actively-managed investment strategies) and (b) generally have a

longer time horizon, you may want to choose our investment advisory service. However, if you (a) prefer in-person rather than digital (online) client experience, (b) prefer to pay one single wrap fee rather than multiple fees that include a management fee, commissions and other fees, or (c) prefer having full discretion over your assets, you may not want to choose our investment advisory service. Before investing with us or any other investment adviser, you should consider paying off your high-interest debt and using workplace savings options.

## How will you choose investments to recommend to me?

Based on your risk score, IA recommends the AA Portfolio. You are free to accept or disregard this recommendation and proceed with your own portfolio selection based on your risk score. Or you may customize our standard AA Portfolio recommendation to increase or decrease the allocation to specific ETFs or apply industry tilts. IA recommends no other portfolios on its platform at this time, allowing you to select portfolios on your own as long as they are in line with (i.e., have a risk score equal to or lower than) your risk score.

**What fees will I pay?** If engaged, we charge an annual fee based upon a percentage of the market value of the assets being managed by us, i.e., the assets that you choose to invest in a *PM* or *IA Portfolio* (“Management Fee”). The *PM Portfolio* fee schedule ranges from 0.25% to 0.75%. The *IA Portfolio* fee schedule ranges from 0.1% to 0.2%. If you choose to invest in multiple portfolios, you will be charged the sum of the fees associated with each portfolio you invest in. The more assets you have in your advisory account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account. Management Fees vary by the *Portfolio* chosen and the level of assets invested in that *Portfolio*. No Management Fees are charged on assets that are not invested in a *Portfolio*. Management Fees are charged monthly in arrears.

In addition to Management Fees, you will pay brokerage commission custodial fees, transaction fees, exchanges fees, fees and expenses charged by mutual funds, REITs or ETFs, or other related costs and expenses incurred for the investment of your assets in portfolios offered by us. We do not receive any portion of these fees. *You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money on your investments over time. Please make sure you understand what fees and costs you are paying.* More detailed information on applicable fees can be found in Items 4 and

5 of our [Form ADV Part 2A](https://interactiveadvisors.com/FormADVPart2A), and on <https://interactiveadvisors.com/> website. Additional details on how we calculate our Management Fee are included in Appendix A of the Investment Management Agreement all clients agree to before retaining us as their investment advisor.

**Conversation Starter: Ask your financial professional: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?** Please contact us at 1.866.825.3005 to obtain this information as our fees vary by portfolio. You may also refer to Item 5 of our [Form ADV Part 2](https://interactiveadvisors.com/FormADVPart2), and visit <https://interactiveadvisors.com/> (the Low Fees section from the Menu).

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?** When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. But the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are examples to help you understand what this means:

**Front Running Conflict in IA Portfolios:** We trade our own funds alongside your assets invested in the *IA Portfolios* in order to effectuate our co-trading procedures. We may have an incentive to trade ahead of you, as we have advance knowledge of trades we will place in your accounts, but we eliminate this conflict as discussed below.

**Brokerage Practices thorough IB:** You must appoint IB as the sole broker for your account and accept IBKR-LITE as the brokerage account type. This appointment and account type selection create a conflict of interest as they could result in a disadvantage to you (e.g., less favorable executions) than may be available through the use of a different broker-dealer or account type for a given transaction. While IBKR-LITE accounts are charged zero commission for US exchange-listed stock and ETF trades, their orders are routed to select over-the-counter market-makers for handling, who provide IB with payment for order flow for sending orders for execution. While we do not directly receive any of the brokerage revenue generated by IB from your trading, the parent company of both entities, the Interactive Brokers Group LLC, derives the majority of its revenues from the brokerage operations

of the IB subsidiary. IA places all client trades through IB so IB's payment for order flow revenue from market makers ultimately benefits both IB and IA given their corporate affiliation.

**Conversation Starter: Ask your financial professional: How might your conflicts of interest affect me, and how will you address them?** To avoid the potential for front-running, orders in the small-dollar amount IA-owned accounts managing the *IA Portfolios* are combined with orders in client accounts and submitted for execution to IB in one or multiple trades (a process referred to as co-trading). Executions are then allocated pro rata with participating accounts receiving the same average price per share and sharing transactions costs pro rata. We manage the conflict of interest associated with trading in client accounts brokered by our affiliated broker-dealer by seeking to ensure that IB provides best execution on client trades and by monitoring the turnover in *IA Portfolios*. To mitigate the conflict of interest associated with IA's trading being excessive in order to benefit IB's commission revenues, IA periodically reviews turnover to ensure it is not excessive in amount or frequency, including before each rebalancing in the *IA Portfolios* to confirm turnover is in line with expected values. More detailed information can be found in Items 8, 11 and 12 of our [Form ADV Part 2A](https://interactiveadvisors.com/FormADVPart2A).

**How do your Financial Professionals Make Money?** We are compensated by salary and merit-based discretionary bonuses that are calculated based on many factors, including company and individual performance. We are not directly compensated based on client commissions or fees earned, performance of our client accounts, the amount of client assets, the products clients invest in, or revenue earned for any advisory services chosen by the clients.

**Do you or your financial professionals have a legal or disciplinary history?** No. For a free and simple search tool to research our firm and our financial professionals, use the tools available at [investor.gov/crs](https://investor.gov/crs).

**Additional Information.** You can find additional details on IA's advisory services at <https://interactiveadvisors.com/>.

**Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?** We do not assign registered representatives to manage client accounts. If you have any concerns regarding the service that you receive, you can contact us at 1.866.825.3005.

# Investment Management Agreement

This investment management agreement (“Agreement”) is made on the date that it is signed by both you (“Client” or “you”) and Covestor Limited, an investment adviser registered with the Securities and Exchange Commission (“SEC”), whose mailing address is 100 Summer St, Floor 16, Boston, MA 02210. Covestor Limited is doing business as Interactive Advisors and is referred to as “Adviser” or “we” throughout this Agreement.

You and we agree:

## Definitions

“Account” means the brokerage account or accounts at Interactive Brokers LLC where your assets managed by Interactive Advisors are held.

“Advisers Act” means the Investment Advisers Act of 1940, as amended.

“Affiliates” means (a) our officers, partners or directors (or persons performing similar functions), (b) our current employees and representatives, and (c) persons directly or indirectly controlling us or controlled by us. “Control” is defined in the Advisers Act. Among others, Interactive Brokers LLC is an Affiliate of Adviser.

“Aggregation” refers to combining multiple orders from different clients, for the same securities on the same terms (such as price or timing), for submission as a single order for execution.

“Assets” means the total assets that we are managing under this Agreement, including assets invested and assets not invested in Portfolios.

“Broker-Dealer” means the broker-dealer on the Account, i.e., Interactive Brokers LLC.

“interactiveadvisors.com” means the Website maintained by Adviser, and located at <https://interactiveadvisors.com/>

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Fee” means the fee for our services as set out in the section entitled “Management Fee” and Exhibit A.

“Governing Jurisdiction” means the Commonwealth of Massachusetts.

“Interactive Brokers” means Interactive Brokers LLC and its affiliates.

“Investment” means the Assets, designated by you, to be invested in a specific Portfolio. An Account can have separate Investments to multiple Portfolios, each of which can be based on the Data of a different Third-Party

Portfolio Manager or the trading in a portfolio managed by Interactive Advisors.

“Investment Profile” refers to your investment needs, goals and objectives you described in response to the risk assessment questionnaire you filled out after becoming an Interactive Advisors client and any subsequent updates you make to your questionnaire responses. Interactive Advisors’ risk assessment questionnaire takes into consideration your financial situation, income, net worth, ability to take risks, investment objective, age, investing knowledge, investment horizon and tolerance for drawdowns in generating your “Investment Profile.” Interactive Advisors only allows you to invest in a Portfolio it offers if the Portfolio is suitable for you in light of your “Investment Profile.” Interactive Advisors will periodically prompt you to review the answers to the risk assessment questionnaire and the list of securities you specified should not be traded in your Account. You agree to keep Interactive Advisors informed of any changes in your financial situation or investment objectives and to periodically review and update your answers to the risk assessment questionnaire and the list of securities you specified should not be traded in your Interactive Advisors account. You will find information on the risk questions, risk score descriptions for clients and Portfolios, and guidelines for which Portfolios you can or cannot invest in at <https://interactiveadvisors.com/>

“Plan” means a pension or other employee benefit plan subject to Part 4 of Title I of ERISA.

“Plan Fiduciary” means a sponsor, named fiduciary, trustee or other fiduciary under ERISA.

“Portfolio” means an investment portfolio managed by us that is based on tracking the trading activity of one or more Third-Party Portfolio Managers or a portfolio managed by Interactive Advisors.

“Third-Party Portfolio Manager” means an unaffiliated third-party that publishes its trading activity and other

related information (collectively “Data”) on <https://interactiveadvisors.com/>.

“Website” refers to <https://interactiveadvisors.com/> and the related pages with that domain name and does not include content on other unrelated web pages.

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## Scope of Engagement

We will act as your investment adviser to provide ongoing investment advisory services as described in this Agreement in connection with the products specifically discussed herein or any other products or offerings we may decide to launch in the future. Under this engagement, we will collaborate with you on the appropriate investment strategy for your investment objectives, and will manage your Account in accordance with the investment objectives and trading restrictions you specify to us. We are not required to consult with you before placing a specific order or obtain specific authorization from you for each transaction.

After compiling your Investment Profile based on your answers to our risk assessment questionnaire, we will recommend to you one of the Asset Allocation Portfolios (one of several Interactive-Advisors-managed Portfolio lines), which you may choose to invest in or not. You may then select to invest in any of the other portfolios available on our website, managed by Third-Party Portfolio Managers or Interactive Advisors, subject to your Investment Profile and risk score.

Our services shall include: (a) providing you with access to investment research and Data provided by Third-Party Portfolio Managers, and trading in your Account in a manner designed to be consistent with the trading activity in the Third-Party Manager Portfolios you choose to invest in; and (b) providing you with the ability to invest in one of the Portfolios managed by Interactive Advisors. When you do so, Interactive Advisors will execute trades in your Account in a manner designed to be consistent with the trading activity in the Third-Party Manager- or Interactive Advisors-managed Portfolio(s) you choose to invest in.

We may also evaluate the appropriateness of the Portfolios you choose to invest in and of the individual trades in those Portfolios, based upon criteria including but not limited to (a) security type; (b) risk and liquidity characteristics; and (c) trade activity, trade type, and projected costs.

You appoint us your attorney-in-fact and grant us limited power-of-attorney with discretionary trading authority over the Account to buy, sell and otherwise effect investment transactions related to the Assets. You authorize us, without prior consultation, consent or approval (a) to implement transactions in your Account, (b) to buy, sell and trade securities and commodities of any kind, including but not limited to stocks, bonds, mutual funds, index and exchange-traded funds (“ETFs”), short-term money-market instruments, options, and other securities and products, including on margin if you have signed a separate margin authorization with Interactive Brokers, (c) to aggregate your trades with other orders in order to obtain best execution, (d) to access all trading activity and position data within your Account for the purpose of reconciling your positions and (e) to give instructions to Interactive Brokers in connection with the foregoing.

Our services under this Agreement are limited to the discretionary management of the Assets and do not include financial planning or any other services (although Interactive Advisors may provide you free of charge with certain software-based financial planning tools or features). To the extent that you desire any services outside the scope of this Agreement and if we agree to provide such services, the specific nature of the services required shall be set forth in a separate written agreement. You will pay us an additional fee for any such additional services we agree to provide.

We will have no authority to withdraw or transfer Assets from your Account except to a destination pre-set by you and in accordance with your specific instructions to us.

You acknowledge that tax considerations are not generally a factor in managing accounts, and that it is your responsibility to notify us if such considerations are relevant to your overall financial circumstances.

We will offer and you may decide to select a tax loss harvesting feature for some of your investments with us. You should carefully review the disclosures we will provide in connection with the tax loss harvesting feature before deciding to use it for our management of your Account.

You agree that you may not conduct self-directed trading in the Interactive Advisors partition of your Interactive Brokers brokerage account. You may thus not enter individual buy and sell orders for specific securities to be executed at particular times in the Interactive Advisors partition of your Interactive Brokers brokerage account.



But you remain free to manage the trading in any separate non-Interactive Advisors partition of your brokerage account or in any other separate brokerage account you may have with Interactive Brokers. And you may also restrict the securities traded in your Interactive Advisors partition at any time. Interactive Advisors will honor such restrictions when mirroring the trading in the Portfolio you choose to invest in. You understand that imposing restrictions on future investments and selling any existing holdings in a Portfolio may negatively affect the performance of your Account and lead to the Account performing differently, worse or better, than the Portfolio the Account invests in.

You are responsible for informing us whether you do not want us to sell existing holdings in a security you decide to restrict and implement your security restriction only prospectively. In the absence of such notice from you, we will implement your security restriction by both selling existing holdings in that security and refraining from trading in that security in the future, if and until you decide to lift that restriction.

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## **Investments in Portfolios Managed by Third-Party Portfolio Managers**

For some of the portfolios on its platform, Interactive Advisors works with Third-Party Portfolio Managers. Interactive Advisors replicates the trades those managers make in their Portfolio in the Accounts of clients who choose to invest in those Portfolios. You are solely responsible for selecting the Portfolios you choose to invest in. As noted in the previous section, you have the ability to put certain restrictions on the investment management services provided by us under this Agreement. However, we retain discretion over the trading in your Account.

We thus manage your Account by reference to Portfolios that you have identified through your Investments. These Portfolios track the investment decisions and trading history in Portfolios of Third-Party Portfolio Managers in which you have Investments.

You should be aware that, while we aim to track the Third-Party Portfolio Managers' activity in the Portfolios as closely as possible, we make no guarantee we will succeed in doing so, or that we will achieve the same performance for you as Third-Party Portfolio Managers may have achieved for themselves. This could be due to a number of reasons including but not limited to: (a) the

timing of your initial investment and of any subsequent additions and withdrawals you make in your investments; (b) restrictions you place on the Account, (c) any delay in receipt of a Third-Party Portfolio Manager's Data, (d) rounding differences resulting from differing levels of Assets in your Account invested in a Portfolio and that of the Third-Party Portfolio Manager, (e) our discretionary decisions stemming from trade replication rules Third-Party Portfolio Managers have agreed to within the risk score framework, and (f) any changes we may decide to make to the way we replicate Portfolio trades in your Account.

To ensure that we are able to better track the Third-Party Portfolio Managers' activity, you authorize us to make adjustment trades we in our discretion determine will help your Account mirror the Portfolio(s) in which you invest. These adjustments could require small buy or sell trades in your Account, which you authorize us to effect without your specific advance approval or authorization. You acknowledge and agree that you will incur additional transaction costs, including commissions, in connection with these small adjustments. This is a conflict of interest because Interactive Brokers, our affiliated broker-dealer, collects this additional commission revenue. You acknowledge and understand that there could be price differences between these small adjustments and the trades preceding them. Interactive Advisors will attempt on a best efforts basis to execute such adjustments on the same trade day or within one trade day of the related replication trade.

Any Data provided by a Third-Party Portfolio Manager represents the opinions of that Third-Party Portfolio Manager, was not written with your specific investment objectives or financial situation in mind, and should not be construed as personalized investment advice. While many Third-Party Portfolio Managers are registered investment advisers, registration is not a requirement for publication on <https://interactiveadvisors.com/>. You should be aware that (a) Third-Party Portfolio Managers act in their own self-interest and have no duty of care to you, (b) all opinions expressed and Data provided by Third-Party Portfolio Managers are subject to change without notice, and may not be complete, timely or accurate, (c) because the primary information published is their account activity, Third-Party Portfolio Managers could be trading ahead of you and could get a better price than you are able to achieve and, if a Third-Party Portfolio Manager is buying or selling a high enough volume of an issuer that fact alone can move a security to a less favorable price for you, and

(d) when you first invest in a Portfolio, you are making investments that the specific Third-Party Portfolio Manager may have made some time before and you could get different, and potentially unfavorable terms.

We have established procedures to mitigate the risk of a Third-Party Portfolio Manager systematically trading ahead of Interactive Advisors clients. These procedures include:

- combining orders for the sale or purchase of a security by a Third-Party Portfolio Manager with those of Interactive Advisors clients that track that Third-Party Portfolio Manager;
- placing the combined orders through Interactive Brokers in single or multiple trades;
- allocating the combined trades between a Third-Party Portfolio Manager and Interactive Advisors client Accounts investing in that Portfolio on a pro rata basis (*i.e.*, Adviser clients and the Third-Party Portfolio Manager will receive the same average price per share and transaction costs will be shared equally); and
- other procedures we will adopt from time to time and disclose in our SEC Form ADV Part 2A Informational Brochure. These may include randomly sampling the activity in non-Interactive Advisors-linked accounts managed by Third-Party Portfolio Managers trading the same strategy the managers are using in the Portfolio using Data licensed to Interactive Advisors to detect any systematic trading ahead of Interactive Advisors clients' orders by the managers.

Despite this, you should be aware that there is no guarantee we will be successful in fully mitigating the risk that a Third-Party Portfolio Manager could trade ahead of you, for example, by trading through another account for which we do not have Data, an account the Third-Party Portfolio Manager does not identify as trading the same strategy being traded at Interactive Advisors, or an account or for a time period not covered by Interactive Advisors random review. Additionally, delays caused by aggregating orders could negatively affect the average price paid / received on an order.

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## Investments in Portfolios Managed by Interactive Advisors

We could also manage your Account by reference to Portfolios designed and managed by Interactive Advisors itself that you have chosen to invest in. With the exception

of the Asset Allocation portfolio, which we recommend to you once we compile your Investment Profile but do not invest in on your behalf, you are solely responsible for selecting the Interactive Advisors-managed Portfolios in which you invest. You have the ability to put certain restrictions on the investment management services provided by us under this Agreement. However, we retain discretion over the trading in your Account.

The custom Asset Allocation Portfolio feature allows you to adjust up or down the default ETF allocation in your Asset Allocation Portfolio investment, subject to limitations based on the risk tolerance you indicated to us. You may only allocate assets to the ETFs that IA has selected for inclusion in the Asset Allocation Portfolio program. We have and retain the discretion to choose which specific ETFs to purchase or sell and the timing of the trade in your custom Asset Allocation Portfolio investment. We also reserve the right to initially select and subsequently change the available industry sectors and the specific ETFs corresponding to each industry sector. All specific ETFs used in a custom Asset Allocation Portfolio are subject to change at our discretion based on our evaluation of liquidity, cost of ownership (*i.e.*, expense ratio associated with the ETF) and coverage (*i.e.*, adequate exposure to the specific sub-asset class/industry tilt the ETF seeks to represent) without notice to you. If you customize your Asset Allocation Portfolio investment, you may alter the investment characteristics of the portfolio, including the expected return, risk, diversification and tax efficiency of the portfolio. The allocation you select is your ultimate responsibility and the performance of your customized Asset Allocation Portfolio investment may be worse or better than the performance of our recommended standard Asset Allocation Portfolio. Additionally, your selection and allocation of ETFs in your custom Asset Allocation Portfolio may result in higher fund costs to you than you would incur in our standard Asset Allocation Portfolio for your risk score. We reserve the right to modify the customized Asset Allocation Portfolio feature, including by changing or limiting the availability or weighting of certain investments or groups of investments if we determine such action to be in clients' best interests.

You should be aware that, while we aim to track the trading activity in the Interactive Advisors-managed Portfolios as closely as possible in your Account, we make no guarantee we will succeed in doing so, or that we will achieve the same performance for you as each of those Portfolios have achieved. This could be due to a number of reasons

including but not limited to: (a) the timing of your initial investment and of any subsequent additions and withdrawals you make in your investments; (b) restrictions you place on the Account, (c) rounding differences resulting from differing levels of Assets in your Account and that of Interactive Advisors, (d) any changes we decide to make to the way we replicate Portfolio trades in your Account, and (e) any corporate actions affecting the stocks the specific Portfolio invests in.

To provide these portfolios, Interactive Advisors initially funds and trades a fixed amount of its funds in separate proprietary brokerage accounts associated with each Interactive Advisors-managed Portfolio. After the initial investments, Interactive Advisors reserves the discretion to add additional funds to the initial investment amounts in order to manage these firm-owned accounts with a higher investment amount and more efficiently manage investments in these Portfolios. Interactive Advisors then replicates the trading in these proprietary brokerage accounts in the accounts of clients investing in each specific Interactive Advisors-managed Portfolio in order to implement its mirroring procedures.

Given that Interactive Advisors manages these Portfolios by trading in one or more proprietary brokerage accounts, a conflict of interest arises between Interactive Advisors executing trades in that proprietary account with the knowledge that it will be executing similar trades in client Accounts investing in that Portfolio. Interactive Advisors thus has a potential incentive to provide favored treatment to its proprietary account to the detriment of Interactive Advisors client Accounts investing in a Portfolio by allocating the best trades to its proprietary account instead of client Accounts, allocating a greater percentage of certain trades to its proprietary account, trading ahead of clients in that proprietary account or taking other actions which favor the proprietary account.

To mitigate any conflict of interest or risk of Interactive Advisors trading ahead of its clients presented by Interactive Advisors trading a proprietary account in connection with the management of the Interactive Advisors-managed Portfolios, Interactive Advisors has established procedures similar to the ones described on page 6 for aggregating, placing and allocating orders and trades for these Portfolios.

You should also note that a significant shareholder of Interactive Brokers Group Inc. is a significant client of Interactive Advisors. Although this client does not receive

any preferential treatment from Interactive Advisors and Interactive Advisors will establish procedures to ensure no preferential treatment occurs, this client relationship presents a potential conflict of interest as Interactive Advisors has an incentive to favor this client over its other clients.

You will find additional information on the portfolio construction process, performance information, and other disclosures regarding the Interactive Advisors-managed Portfolios on the Interactive Advisors website. You have to review and acknowledge some of this information before being able to invest in any of the Portfolios managed by Interactive Advisors.

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## Management Fee

Our Fee provided under this Agreement shall be computed and charged in accordance with the fee schedule attached as Exhibit A.

In addition to the types of Fees set forth in Exhibit A, we could charge you other fees as you and Interactive Advisors may agree to in the future.

We will deduct the Fees directly from the Account using Interactive Brokers' invoicing methodology. You will see these charges on the account statements provided by Interactive Brokers. It is your responsibility to verify the accuracy of Interactive Advisors calculation of the Fees; Interactive Brokers will not do so. You should contact us with any questions about Fees.

Interactive Advisors will value all securities on which the Fees are calculated based on the market values reported by Interactive Brokers, who is an affiliate of Interactive Advisors, on its account statements. This potential conflict of interest is mitigated by Interactive Brokers' use of pricing data provided by third-party independent vendors for the market value of assets displayed in periodic activity statements supplied to all brokerage clients, including Interactive Advisors clients.

We will not increase the Fees without prior written notice to you.

In addition to the Fees charged under this Agreement, brokerage and other charges could be imposed on your Account. These charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index or exchange-traded fund, fees imposed by variable annuity



providers, certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fees and electronic fund fees. These charges could be paid to Interactive Brokers or other Affiliates of Adviser.

For instance, for Interactive Advisors-managed Portfolios investing primarily or exclusively in ETFs, in addition to the Fees you pay to Interactive Advisors for the management of your Account and the commissions you pay to Interactive Brokers for transactions in your Account, you will be charged other fees and expenses by the issuer(s) of the fund(s) you own in your Interactive Advisors account. This means that you will pay more when you invest in ETFs through the Interactive Advisors-managed Portfolios than if you purchased the ETFs directly. ETFs typically include certain embedded expenses that reduce the fund's net asset value and indirectly the performance of your Account investing in those funds. 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. Interactive Advisors generally invests in ETFs with lower expenses.

**The Account is an IBKR-LITE account.** Interactive Advisors has elected to have all of its clients' brokerage accounts at Interactive Brokers operate under the zero-commission "IBKR-LITE" fee model. Generally, Interactive Brokers will charge zero commission for US exchange-listed stock and ETF trades.

IBKR-LITE orders for NMS stocks are generally routed to select over-the-counter market-makers ("Market Makers") for handling. Interactive Brokers' agreements with the Market Makers provide Interactive Brokers payment for order flow ("PFOF") from each Market Maker for trades executed with that Market Maker. Interactive Brokers may also route IBKR-LITE orders to another broker, ATS, or exchange (each an "Away Route"), in which case Interactive Brokers may collect PFOF for trades executed at or through that Away Route. Although Interactive Brokers' receipt of PFOF may reduce the amount of price improvement that Client Accounts obtain on their stock and ETF trades (as compared to the price improvement available under Interactive Brokers' IBKR-PRO fee model), Interactive Advisors believes that the amount that Client Accounts save by avoiding commissions (as compared to IBKR-PRO) generally more than compensates

for any loss of price improvement. For more information on the differences between IBKR's IBKR-LITE and IBKR-PRO offerings, please see Interactive Brokers' [Order Routing and Payment for Order Flow](#) disclosure and [website](#).

This Account will be charged no brokerage account activity fees and no market data fees for US exchange-traded stocks and ETFs. You may incur non-commission related fees such as market data fees for other products, service fees such as wire transfer fees, and fees to cover regulatory fees incurred by Interactive Brokers when clients sell stocks.

Interactive Advisors' election of the IBKR-LITE service for its Client Accounts constitutes a conflict of interest in light of the corporate affiliation between Interactive Advisors and Interactive Brokers and the fact that the payments Interactive Brokers will receive from Market Makers and Away Routes on Client Account orders will benefit the parent company of both entities (IBG LLC) and thus Interactive Advisors indirectly, and the fact that IBKR-LITE executions may (but are not expected to) bring clients higher total cost of execution than IBKR-PRO executions (even after accounting for the commissions savings, as a result of missed opportunity for greater price improvement).

This conflict of interest is disclosed to and acknowledged by Interactive Advisors clients at account opening through signing this Agreement and the provision of a separate disclosure. This conflict is mitigated by Interactive Advisors periodically reviewing Interactive Brokers' execution quality statistics to confirm that IBKR-LITE's total cost of execution (calculated as commissions and fees paid minus price improvement obtained) is generally equal to or better than IBKR-PRO's total cost of execution after accounting for the commissions savings from IBKR-LITE. Interactive Advisors believes the benefits clients will receive from the IBKR-LITE commission structure outweigh the conflict of interest.

**By acknowledging that Interactive Advisors uses the IBKR-LITE service for all its client accounts, you understand that: (1) Interactive Brokers will receive and retain all such payments from Market Makers and Away Routes, in whole or part, for its own account and not that of the client, in consideration for services provided by Interactive Brokers to the client; and (2) you may have received better price improvement if**

### **Interactive Brokers sent your orders to the market rather than the Market Makers.**

You understand that services similar to those provided by us may be available from other sources at lower costs.

You should be aware that, if you authorize the use of margin, and margin is thereafter employed by us in the management of your Account, the gross market value of your Account and the corresponding Fee payable to us will be increased. To address free riding issues, Interactive Brokers will only support accounts without borrowing ability for Interactive Advisors clients (no-borrowing ability or “NBA accounts”). NBA accounts, designated as ‘Margin’ in Account Settings, are not allowed to use margin or borrow for investment or leverage purposes but have the ability to use proceeds from stock and ETF sales immediately for new purchases instead of waiting for the usual 2-day settlement period. As is the case with cash accounts, any cash shortfall in NBA accounts is covered by liquidating account holdings sufficient to cover the shortfall.

A conflict of interest arises as your Account’s use of margin based on our management will result both in interest charges by Interactive Brokers and a higher Fee payable to us based on the increased gross market value of your Account. We mitigate this conflict of interest by only supporting NBA accounts and by Interactive Brokers generally not extending to our clients any more margin than deemed necessary to address free riding issues. Nonetheless this conflict of interest cannot be completely eliminated because NBA accounts could owe small amounts of margin interest to our affiliated broker-dealer Interactive Brokers during the 2-day settlement window.

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### **Additions and Withdrawals**

You may make additions to and withdrawals from an Account at any time. If Assets are deposited into or withdrawn from an Account after the inception of a month, the Fee payable will be appropriately adjusted. You may withdraw Assets on notice to us, subject to the usual and customary securities settlement procedures and the withdrawal procedures of Interactive Brokers. We design our Portfolios as long-term investments and Asset withdrawals may impair the achievement of your investment objectives. We may terminate your Account at any time for any reason.

If at any time you choose to fund your Account by transferring funds denominated in a currency other than US dollars, you hereby authorize Interactive Advisors to request Interactive Brokers to convert those funds into US dollars so that you may be able to invest them in any Portfolios you select. You hereby understand and acknowledge that you may withdraw this foreign currency conversion consent at any time by contacting Interactive Advisors, and acknowledge that Interactive Advisors only provides such conversion as a courtesy to you. You also hereby acknowledge and agree that Interactive Advisors will effect this currency conversion through Interactive Brokers at the rate derived from prevailing market conditions at the time of the execution of the conversion. The costs and charges Interactive Brokers applies to currency conversion trades are detailed on the Commissions and Fees page on the Interactive Brokers website at <https://www.interactivebrokers.com/en/pricing/commission-s-home.php?re=amer>.

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### **Execution of Brokerage Transactions**

You have appointed Interactive Brokers as your broker and custodian for the Assets in your Account and to execute transactions in your Account.

All brokerage transactions under this Agreement will occur through Interactive Brokers, an affiliate of Adviser. Adviser does not offer services through any other broker-dealer. The use of an affiliate for brokerage services represents a conflict of interest. By signing this Agreement, you acknowledge that Adviser is affiliated with Interactive Brokers, a registered broker-dealer, and you expressly authorize Adviser to execute all transactions under this Agreement through Interactive Brokers, consistent with Adviser’s duty of best execution. You also acknowledge the conflict of interest posed by Interactive Advisors’ parent company, Interactive Brokers Group LLC, deriving the majority of its revenues from the brokerage operations of its Interactive Brokers subsidiary, the sole broker for your Account. Interactive Advisors places all of its clients’ trades through Interactive Brokers, which receives compensation for these services. This compensation ultimately benefits both Interactive Brokers and Interactive Advisors, given their corporate affiliation.

You authorize and direct Interactive Advisors to place all trades in your Account through Interactive Brokers. Interactive Advisors believes it can meet its best execution

obligation by trading through Interactive Brokers. However, there can be no assurance that it will in fact achieve best execution. You should understand that the appointment of Interactive Brokers as the sole broker for your Account could result in disadvantages to you, i.e., less favorable executions (e.g., greater spreads, or less favorable net prices) than are available through the use of a different broker-dealer.

You should consider the commissions and other expenses, execution, clearance, and settlement capabilities of Interactive Brokers as a factor in your decision to execute this Agreement and invest in a Portfolio.

Transactions for each Account can be made in combination with other clients, since we often place orders to purchase or sell the same securities for several clients at approximately the same time. We may combine client orders to obtain best execution, fairly allocate differences in prices, and costs among our clients. We will not receive any additional compensation from combining orders. We will initiate independent transactions in client Accounts as necessary, especially in order to implement periodic rebalancing of an individual client's Account.

We will try to process all Account transactions in a timely manner, but cannot guarantee that any transaction will be completed on the same day as requested.

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## No Principal Transactions

Neither Interactive Advisors nor any of its Affiliates will knowingly engage in any principal trades with you without your consent to the specific trade and unless the transaction satisfies the requirements of Section 206(3) of the Advisers Act. This could affect the timing, price and quantity of the execution you receive.

Please note that certain Interactive Advisors Affiliates, including Interactive Advisors employees, officers and directors, and employees of the Interactive Brokers Group Inc., invest with and are clients of Interactive Advisors. Interactive Advisors will set up a process designed to prevent Interactive Advisors Affiliates from trading with any other Interactive Advisors clients, both internally and on the open market.

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## Consent to Agency Cross Transactions

Interactive Brokers and Interactive Advisors may only execute trades referred to below as Agency Cross Transactions if the Client has given written consent in advance.

You acknowledge and agree that an Interactive Advisors Affiliate (namely, Interactive Brokers LLC) may engage in "agency cross transactions" as defined in Rule 206(3)-2 (17 C.F.R. § 275.206(3)-2) ("Agency Cross Transactions") promulgated by the SEC under the Advisers Act, in which an Interactive Advisors Affiliate acts as a broker both for you and for the customer on the other side of the transaction. You acknowledge that the Interactive Advisors Affiliate could receive commissions from and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such Agency Cross Transactions. Nonetheless, you hereby consent to and authorize the Interactive Advisors Affiliate to engage in such agency cross transactions. You may revoke this consent and authorization at any time by written notice to Interactive Advisors or Interactive Brokers.

Among others, you consent to Interactive Brokers designating your orders to trade: (1) against the orders of other Interactive Brokers customers, including liquidity providers, either in Interactive Brokers' Automated Trading System or on a public exchange; (2) through an exchange-operated price improvement facility; or (3) against third-party liquidity providers that would fill orders (such as orders for less than a full share), which could otherwise not be filled in the open market. These agency cross transactions are reflected and identified in your Interactive Brokers activity statements. Interactive Brokers will act as a broker for and receive commissions from both parties to these transactions.

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## Fractional Share Trading

Interactive Advisors is able to offer Portfolios and the diversification they offer at low investment minimums by providing you the ability to trade fractional shares.

Stocks and ETFs cannot be traded in fractions on public exchanges, so Interactive Brokers, Interactive Advisors' affiliated broker-dealer, facilitates trading in all 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 liquidity providers,

not affiliated with Interactive Brokers or Interactive Advisors, will execute any fractional share trades as principal or riskless principal. 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 ("NBBO") at the time of the order.

There is a potential conflict of interest in connection with these fractional transactions as Interactive Brokers will act as broker for both Interactive Advisors Clients and the liquidity provider counterparty to these transactions you consent to in the previous section. You may revoke your written consent to such transactions at any time by written notice to Interactive Advisors or Interactive Brokers, but you will no longer be able to invest in any of the 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 one or more of the Portfolios. No aspect of Interactive Advisors' management or operation of any of the Portfolios should be deemed 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.

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 Portfolio investments, you will need to fully redeem your investment in which case Interactive Brokers will sell any fractional shares to the liquidity provider and any whole shares to the market. If you want to transfer your Portfolio holdings to another brokerage firm, you will first need to sell your fractional shares to the liquidity provider through Interactive Brokers. These trades could have tax consequences.

You will not have voting rights for any of the fractional shares held in your Account and will not be able to make voluntary elections on any corporate action (including any tender offers or rights offerings). Please note that Interactive Brokers cannot facilitate clients 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. You will, however, receive payments of dividends, or in some cases in connection with stock dividends, either dividend shares or value commensurate to the dividend Shares, and will otherwise participate normally in any stock splits, mergers or other mandatory corporate actions.

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## Delays in Executing Trades

You understand and acknowledge that your instructions to us to invest in a portfolio, or divest from a portfolio, may be subject to a delay of up to two trading days after they are received.

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## Trade Errors

In connection with all trades in your Account placed electronically, Adviser assumes responsibility for any Account losses for trading errors directly resulting from Adviser's failure to follow its trading procedures or from a lapse in its internal communications. In such instances, the Account will be compensated for any such corresponding losses.

However, you acknowledge that Adviser cannot and will not be responsible for Account errors and/or losses that occur where Adviser has used its best efforts (without direct failure on the part of Adviser) to execute trades in a timely and efficient manner. You acknowledge and agree that the general standard of care applicable to Adviser's actions under this Agreement will also apply in connection with any trade errors.

If a trade or some portion of a trade is not effected or an electronic "glitch" occurs which results in the Account not being traded properly, and such occurrence is not a result of Adviser's failure to execute or follow its trade procedures, the resulting loss will not be considered a trading error for which Adviser is responsible.

In certain situations, Adviser may manually send client trades for execution after Portfolio trades have been executed. Differences in execution prices due to delays in replication of Portfolio trades of less than 48 hours will not constitute a trade error, regardless of the cause for this delay. In such situations, you acknowledge and agree that

Adviser is not obligated to provide compensation for any harm you experienced in your account.

You further acknowledge that Adviser cannot and will not be responsible for trades that are not properly executed by any third-parties including but not limited to broker-dealers, clearing firms, or custodians, when an order has been properly submitted by Adviser.

You agree to notify Adviser immediately in writing if you think that a trade error occurred in your Account.

You agree to promptly return any assets or funds erroneously credited by Interactive Brokers to your Account in connection with any of the trades in your Account.

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## Anti-Money Laundering

As part of our anti-money laundering program, we are required to obtain, verify, and record information that identifies each person or entity who opens an account. We are required by law to ask you to provide your name, address, date of birth and other information about you, your organization or persons related to your organization that will allow us to identify you before we approve your Account. We may ask you to provide certain identifying documents to assist us in verifying your identity and in determining whether you satisfy our account criteria. We are also required by law to collect documentation for tax purposes. Unless you provide the requested information and documentation, we may not be able to open your Account. We reserve the right to decline any application for any reason at our sole discretion.

You agree to provide accurate and truthful information as requested by Interactive Advisors and you consent to Interactive Advisors acquisition of credit and other consumer reports about you for the purposes described above.

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## Proxies

You hereby delegate to Interactive Advisors the authority to receive and vote all proxies and related materials for all securities held in your Account pursuant to our written proxy voting policies and procedures, which are outlined in our SEC Form ADV Part 2A. We will keep records regarding this activity. You understand that we will not vote proxies for restricted securities held in your Account.

Upon request, we will provide you with a copy of our current proxy voting policy. You understand that Interactive Advisors will generally determine how to vote proxies based on our reasonable judgment of what vote is most likely to be in the best interests of our clients. We will use an independent third-party proxy voting service to vote proxies on your behalf. You hereby authorize and direct us to instruct the custodian to forward promptly to us copies of all proxies and shareholder communications relating to holdings in your account. You agree that we will not be responsible or liable for failing to vote any proxies where we have not received such proxies or related shareholder communications on a timely basis.

Upon request, we will disclose to you how we voted on matters relating to the holdings held in the Account. You hereby represent that proxy voting authority is not reserved to any other person.

You also delegate to Interactive Advisors the authority to vote on other corporate actions, like tender offers, which do not require a proxy or are not solicited via proxy.

You will maintain exclusive responsibility for all legal proceedings or other type of events relating to the assets in the account, including but not limited to class action lawsuits.

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## Reports

Unless otherwise agreed, Interactive Brokers will provide you electronically, in its Account Management system or in the Account Management window embedded on our website, with transaction confirmation notices and regular summary account statements. You may also receive electronically from us relevant Account and/or market-related information such as an inventory of Account holdings and Account performance on a daily basis.

You agree to carefully review all confirmations, statements and reports sent by Interactive Brokers and compare those to the reports received from Interactive Advisors. You must promptly notify Interactive Advisors and/or Interactive Brokers of any discrepancy or unauthorized activity.

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## Risk Acknowledgment

We do not guarantee the future performance of your Account, any specific level of performance, the success of

any investment recommendation or strategy or the success of our overall management of the Account. Our investment recommendations are subject to various market, currency, economic, political and business risks and by entering into this Agreement you accept those risks. You understand that the value of the Assets will fluctuate over time. Investment decisions will not always be profitable. In implementing its program, Adviser will only consider the Assets held in the Account in conjunction with the information you have provided and will not consider any other assets owned by you or investment objectives or trading restrictions that you did not inform us of.

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## **Non-Exclusivity**

We may render investment advice to others and do not make our services available exclusively to you. We and our Affiliates could take the same or similar positions in specific investments for our other clients and our own accounts, as we do for you, our Affiliates or other customers. We have no obligation to purchase or sell, or to recommend for purchase or sale in your Account, any security that we or our Affiliates may purchase or sell for our other clients and our own accounts.

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## **No Legal, Tax and Accounting Advice**

You understand and agree that Interactive Advisors is not qualified to, and does not purport to provide, any legal, accounting, estate, actuary, or tax advice or to prepare any legal, accounting or tax documents. Nothing in this Agreement shall be construed as providing for such services.

You will rely on your tax attorney or accountant or yourself for tax advice or tax preparation. Even if our reports may be used to assist you in preparing tax returns, the reports do not represent the advice or approval of tax professionals.

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## **Adviser Liability**

Except as otherwise provided by law, neither we nor any of our Affiliates will be liable for (a) any loss arising from adhering to your written or oral instructions, (b) any loss caused by using inaccurate, outdated or incomplete information provided by you and/or your failure to promptly inform us of changes in your financial and/or economic situation, investment objectives or any

restrictions that may affect the management of your Account, (c) any act or failure to act by any third party, (d) any loss that you may suffer by reason of any decision made or other action taken by a Third-Party Portfolio Manager of your choosing, (e) any loss resulting from the failure or delay in performance of any obligation under this Agreement arising out of or caused by circumstances beyond Interactive Advisors' reasonable control, including, without limitation, acts of God, loss or malfunctions of utility, computer software or hardware, transportation or communication service, or (f) any loss arising from any investment decision made or other action taken or omitted in good faith by us, unless such loss results from the gross negligence, willful misconduct or reckless disregard of any of our obligations under this Agreement.

**Nothing in this Agreement will waive or limit any rights that you may have under federal and state securities laws, which may not be waived or limited.**

If the Account contains only a portion of your total Assets, we will not be responsible for (a) any of your Assets that we are not managing under this Agreement and (b) diversifying all of your Assets.

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## **Authority**

You represent that you have the full legal power and authority to enter into this Agreement and that the terms of this Agreement do not violate any obligation or duty to which you are bound, whether arising out of contract, operation of law, or otherwise. If you are an entity, this Agreement has been duly authorized by appropriate entity action, and when executed and delivered will be binding in accordance with its terms. At our request, you will promptly deliver a corporate or other resolution or other action authorizing this Agreement.

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## **No Solicitors or Referral Fees**

Interactive Advisors does not use solicitors and does not pay anyone any referral fees for soliciting clients on its behalf.

You may have initially heard about Interactive Advisors, its services or Portfolios, from one of the Third-Party Portfolio Managers on the platform. Interactive Advisors does not compensate Portfolio Managers for client referrals and Portfolio Managers do not act as solicitors for Interactive



Advisors. Interactive Advisors does compensate Portfolio Managers with a portion of the Fees paid by clients investing in a Third-Party Manager's portfolio.

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## Information and Confidentiality

You represent that the information set forth in your Investment Profile is an accurate representation of your financial position and investment needs for the Account. You will promptly inform us in writing of any information changes, including if and when such information becomes incomplete or inaccurate. You acknowledge that you are responsible for the accuracy and completeness of all information provided to Interactive Advisors and agree that Interactive Advisors is not responsible for any losses, costs, damages or claims caused by your failure to provide accurate or updated information to it.

You agree to provide us with any other information and documentation that we may request in connection with this Agreement or related to your Investment Profile. We are not required to verify the accuracy of the information, but we will periodically prompt you to update this information to reflect any changes in your financial situation, investment objectives and any securities restrictions you want to place on the trading in the Account.

The information you provide us in connection with this Agreement and for the purpose of appointing us as your investment adviser is confidential. Pursuant to our Privacy Policy, we will not disclose it, except in limited circumstances. Typically, we only disclose the information as required by law, or, as needed, to implement your investment needs or perform the services contemplated by this Agreement. Please see our Privacy Policy for details regarding how we protect your non-public personal information.

You acknowledge our Privacy Policy published on our website and consent to the collection and use of your information as described therein. By accessing or using our services you consent to us processing your information in accordance with the terms set out in the Privacy Policy.

As an entity incorporated in the United Kingdom, our processing of your personal information will comply with the requirements of the General Data Protection Regulation (EU) 2016/679 ("GDPR") and you may have all the rights set forth in that regulation. You may refer to the Privacy Policy for details on that regulation and your rights

thereunder. Interactive Advisors Data Protection Officer may be contacted at [dpo@interactiveadvisors.com](mailto:dpo@interactiveadvisors.com).

You agree that we may disclose your personal data only:

- in furtherance of our business relationship with you and then only to those persons necessary to effect the transactions and provide the services you request and authorize, including our affiliated broker-dealer and other affiliates assisting us in providing services to you;
- to persons assessing our compliance with industry standards (e.g., professional licensing authorities);
- to our attorneys, accountants, auditors, regulators or otherwise as required by government agencies and other third parties by law and where it is reasonably necessary for the establishment, exercise or defense of a legal or equitable claim or for the purposes of a confidential alternative dispute resolution process; and
- to other third parties in certain circumstances (e.g., third parties that perform administrative or marketing services on our behalf or for joint marketing programs) with your prior consent.

Interactive Advisors will act as a data controller of your personal data within the meaning of GDPR. Without prejudice to the Privacy Policy, which is hereby incorporated, you hereby consent to the use of your personal data by us or on our behalf:

- for the purposes of providing services to you in accordance with the Agreement and for our own administrative, record-keeping and compliance procedures;
- to respond to requests for information from you and to follow up with you afterwards to see if we can provide any further assistance;
- to send you communications related to the servicing of your account;
- to provide you with customer service;
- for statistical purposes and for market research and product analysis and to develop and improve our products and services;
- to enforce or apply the Agreement and/or other agreements and/or to protect our (or others') property or rights and to defend any potential claim;

- to comply with any legal, regulatory or good practice requirement whether originating from the United Kingdom or elsewhere (including but not limited to, the United States); and
- to accomplish any purpose related and/or ancillary to any of the above or any other purpose for which your personal data was provided to us.

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## Joint Accounts

If the Account is owned by more than one client, we will base our services on your joint goals as communicated to us by one of you. We may rely on instructions and information we receive from one of the accountholders in connection with the handling of the Account, the disposition of the assets, and the termination of this Agreement, unless and until such reliance is revoked pursuant to instructions signed by all accountholders.

Each joint accountholder agrees that each joint accountholder has authority, without notice to the other, to:

- (a) open an account with Interactive Advisors; (b) sign and acknowledge any Interactive Advisors agreements, disclosures and documents required to invest with Interactive Advisors; (c) provide information to Interactive Advisors about the Investment Profile associated with the Account, including providing responses to the risk assessment questionnaire; (d) select and invest in any Interactive Advisors Portfolios; (e) specify any trading restrictions for the Account; (f) add to or reduce any assets invested with Interactive Advisors in the account; (g) dispose of any assets or liquidate any investments in Interactive Advisors Portfolios from the Account; (h) enter into, terminate or agree to modify this Agreement; (i) waive any part of this Agreement; and (j) deal with Interactive Advisors as if each joint holder was the sole holder.

Notice to any joint holder constitutes notice to all joint holders. Each joint account holder is jointly and severally liable to Interactive Advisors for all matters related to this Agreement.

You will notify us if there is any change in the joint clients' relationship but we are not accountable for any change in such relationship. You agree to promptly close the Account or open a new Account if there is a change in your relationship with your co-owners.

If we receive conflicting instructions from distinct owners of the Account or are aware of a dispute or conflict of interest between such owners (including, without limitation, separation or divorce proceedings), we may, in our sole discretion, refrain from taking action on instructions from one such owner until all owners consent in writing to the same instruction. Interactive Advisors is not responsible for any claims or damages resulting from such reliance or accountable for any change in the relationship between joint clients.

Interactive Advisors shall not be responsible for any claims or damages resulting from:

- Reliance on the instructions provided by any of the owners of the Account;
- Failure to act if Interactive Advisors receives conflicting instructions from multiple owners of the Account or is aware of a dispute or conflict of interest between such owners; or
- Any change in the status of the relationship between the clients.

Upon death of any joint holder, the surviving holder shall give Interactive Advisors notice. The estate of any deceased joint account holder shall be liable and each survivor will be liable, jointly and severally to Interactive Advisors for any debt in the account or upon liquidation of the account. Unless you indicate otherwise, Interactive Advisors may presume that account holders are joint tenants with rights of survivorship. Upon death of any joint holder, the Account shall be vested in the surviving holders, without in any manner releasing the deceased joint holder's estate from liability.

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## Receipt of Disclosures

You acknowledge receipt of our Privacy Policy and a copy of our written disclosure statement as set forth in the Informational Brochure (Uniform Application for Investment Adviser Registration), Form ADV Part 2, or another document meeting the disclosure requirements of the Advisers Act.

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## Confidentiality of the Data and Portfolios

You acknowledge that the Portfolios and Data are confidential information. You may only use the Portfolios and Data for personal and non-commercial use associated

with the management of your Interactive Advisors Account. You agree and acknowledge that you may not and will not use, copy, modify, sell, distribute, sub-license or create derivative works of any part of the Portfolios or Data to direct the investment of assets in any other accounts that are not covered under this Agreement that you either own or control whether directly, or indirectly. If we determine you have used Portfolios or the Data to direct the assets in any other accounts that are not covered under this Agreement, you shall pay to Interactive Advisors three times the total (1) amount of the Fees that would have been due to Interactive Advisors had such assets been included as part of the Accounts, and (2) the amount of any fees or revenue you derived from managing accounts of others using Portfolio, Data, trades or strategy used in your Interactive Advisors account. You will also defend, indemnify and hold Interactive Advisors harmless against any suit or proceeding by a Third-Party Portfolio Manager or other persons to the extent the claim is based upon an allegation that you used the Portfolios or Data in violation of this provision or another right that person has in the Portfolios or the Data. In addition, we may take any other action as permitted by law.

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## **Retirement or Employee Benefit Plan Accounts**

If the Account is part of a Plan and we accept appointment to provide advisory services to such Account, we acknowledge that we are a “fiduciary” within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in “Scope of Engagement”). We represent that we are registered as an investment adviser and duly qualified to manage Plan assets under applicable regulations.

If the Account is subject to a Plan and we are appointed as an investment adviser by the Plan Fiduciary, the Plan Fiduciary represents that (a) our appointment and services are consistent with the Plan documents, (b) the Plan Fiduciary has furnished us true and complete copies of all documents establishing and governing the Plan and evidencing their authority to retain us, (c) the use of directed brokerage as provided in this Agreement is permitted under the Plan and consistent with its terms and (d) the Plan Fiduciary agrees to provide us with a list of persons or entities which you consider to be a “disqualified person,” as that term is defined in Section 4975 of the

Internal Revenue Code, as amended, or a “party in interest,” as that term is defined in Section 3(14) of ERISA.

The Plan Fiduciary warrants that it will promptly furnish us with any amendments to the Plan, and agrees that, if any amendment affects our rights or obligations, such amendment will be binding on us only with our prior written consent.

If the Account contains only a part of the assets of the Plan, you and the Plan Fiduciary understand that we will have no responsibility for the diversification of all of the Plan’s investments and we will have no duty, responsibility or liability for assets that are not in the Account. If ERISA or other applicable law requires bonding with respect to the assets in the Account, the Plan Fiduciary will obtain and maintain at the Plan’s expense bonding that satisfies this requirement and covers us and our Affiliates.

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## **Death or Disability**

Your death, disability or incompetence will not terminate or change the terms of this Agreement. Your executor, guardian or other authorized and approved agent may terminate this Agreement by providing written notice to us. You acknowledge that further transactions in the Account may not be permitted after we become aware of your death or disability until such time as all required documentation to allow your executor, guardian or other authorized and approved agent to manage the Account is provided and approved.

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## **Terms of Agreement and Termination**

This Agreement may only be amended or modified with Interactive Advisors’ written consent. Interactive Advisors has the right to modify this Agreement at any time and will provide you with notice of each modification. A modification will become effective unless you provide us with notice of your intention to terminate the Agreement. You will abide by any rules, procedures, standards, requirements or other conditions that we establish in connection with your Account or this Agreement. This Agreement will continue indefinitely unless terminated in writing as provided below. As long as this Agreement is in effect, we will contact you periodically to review our previous services or recommendations and to discuss the

impact resulting from any changes in your financial situation or investment needs.

You acknowledge receipt of Interactive Advisors SEC Form ADV Part 2A at the time you execute this Agreement.

This Agreement may be terminated on thirty days notice at any time upon receipt of written notice to terminate by either party to the other, which written notice must be signed by the terminating party and delivered no less than thirty days in advance of the termination date.

Termination of this Agreement will not affect (a) the validity of any action previously taken under this Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of this Agreement or (c) your obligation to pay us fees that have already been earned under this Agreement. Upon the termination of this Agreement, we will neither liquidate nor transfer your securities but will provide you with access to manage the Account in order for you to manage the liquidation or withdrawal. We will not have any continuing obligation to take any action after this Agreement is terminated.

If you terminate this Agreement, we will promptly repay you any unearned portion of the Fees you have paid to us, and you will promptly pay us any unpaid but earned Fees.

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## Notices

Any notice, correspondence, or other communication required in connection with this Agreement by Adviser will be provided electronically and such electronic communication will be considered a “writing” for purposes of this Agreement. These electronic communications may be sent to the e-mail address you provide to us or may be posted on <https://interactiveadvisors.com/> with an email notice of such a posting sent to you. By entering into this Agreement, you consent to the receipt of all notices and other communications (including tax disclosures) from Adviser electronically and this consent will apply on an ongoing basis unless withdrawn by you. While we may deliver paper copies of client communications to you from time to time, the delivery of such paper copies will not affect your consent to future delivery of electronic client communications. You hereby acknowledge that it is your responsibility to immediately review communications delivered via e-mail to the e-mail address you provided to us. You further agree to contact us should there be a discrepancy as to the contents therein. You understand that

you may incur costs such as Internet access fees and other online charges by agreeing to receive client communications electronically. You agree to hold us and our Affiliates, directors, officers, members, managers, employees, agents, successors, and assigns free from any damages related to or arising from the delivery of client communications via e-mail. If you withdraw this consent to receive communications electronically, we will provide required documentation in paper form, but we reserve the right to close your Account.

All notices, correspondence, or other communication to be sent to Adviser must be sent electronically to Adviser at [notices@interactiveadvisors.com](mailto:notices@interactiveadvisors.com).

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## Arbitration

Any controversy or claim arising out of or relating to this Agreement or a breach thereof will be submitted to arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The location of the arbitration will be in the Governing Jurisdiction.

By signing this Agreement, Client and Adviser understand and agree that:

- The parties are giving up the right to sue each other in court, including the right to a trial by jury, but this agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such waiver would be void under federal securities laws, including but not limited to the Advisers Act;
- Arbitration awards are generally final and binding, and a party's ability to have a court reverse or modify an arbitration award is very limited;
- The parties' ability to obtain pre-arbitration discovery including documents, witness statements, or other discovery is generally more limited in arbitration than in court proceedings;
- The arbitrators do not generally have to explain the reason(s) for their award and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited;

- The list from which the arbitrators are selected may include a minority of arbitrators who were or are affiliated with the securities industry;
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration;
- The rules of the arbitration forum in which the claim is filed and any amendment thereto are incorporated into this Agreement;
- The arbitration will be pursuant to the Federal Arbitration Act;
- Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction; and
- This pre-dispute arbitration agreement shall survive the termination of the Agreement or Adviser's advisory services under this Agreement.

Client acknowledges and agrees that he has had a reasonable opportunity to review and consider this arbitration provision prior to executing this Agreement.

**This agreement to arbitrate does not constitute a waiver of any right provided to you by the Advisers Act, including your right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.**

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## Agreement

This Agreement and the Exhibits are the entire agreement between the parties and supersede all understandings, agreements (oral and written), and representations with respect to the subject matter of this Agreement. Neither party has made or relied on any representation, inducement or condition not in this Agreement.

No failure by us to exercise any right, power, or privilege will operate as a waiver thereof. No waiver of any breach of this Agreement by you will be deemed to be a waiver of any subsequent breach.

If any provision of this Agreement is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Agreement will be considered divisible as to such provision and such provision will be inoperative in such state or jurisdiction. The invalid, unenforceable, or illegal provision shall be construed as narrowly as required to render it legal, enforceable, and closest to the underlying intention. The

remaining provisions of this Agreement will be valid and binding and of full force and effect as though such provision was not included.

Section headings have been inserted for reference only and will not be deemed to limit or otherwise affect, in any manner, or be deemed to interpret in whole or in part any of the terms or provisions of this Agreement.

Any reference to an exhibit in this Agreement shall be to the exhibit, as amended and restated from time to time.

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## Assignment

Neither party may assign this Agreement without the consent of the other party. Transactions that do not result in a change or actual control of management will not be considered an assignment.

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## Governing Law, Venue and Jurisdiction

To the extent permitted by law, this Agreement and any dispute, disagreement, or issue of construction or interpretation whether relating to its execution, its validity, the obligations provided herein, or performance shall be governed by the laws of the Governing Jurisdiction, without regard to choice of law considerations, except for the Section entitled Arbitration, which will be governed by the Federal Arbitration Act.

The Agreement shall also be construed in a manner consistent with the Advisers Act and the SEC rules and regulations under that Act and nothing in this Agreement shall be construed in any manner inconsistent with the Advisers Act or any SEC rule, regulation or order promulgated thereunder and applicable to Adviser.

## IN ALL JUDICIAL ACTIONS, ARBITRATIONS OR DISPUTE RESOLUTION METHODS, THE PARTIES WAIVE ANY RIGHT TO PUNITIVE DAMAGES.

Any action, suit or proceeding arising out of, under or in connection with this Agreement not required to be submitted to arbitration pursuant to this Agreement will be brought and determined in the appropriate federal or state court in the Governing Jurisdiction and in no other forum. The parties hereby irrevocably and unconditionally submit to the personal jurisdiction of such courts and agree to take any and all actions necessary to submit to the jurisdiction of such courts in any such suit, action or proceeding arising out of or relating to this Agreement.

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### **Advice of Counsel**

Each party acknowledges that, in executing this Agreement, such party has had an opportunity to seek the advice of independent legal counsel, and has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any party solely because such party drafted or prepared this Agreement.

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### **Counterparts**

This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. The execution of this Agreement may be by actual, facsimile or electronic signature.



**(This Section is intentionally left blank.)**

By executing this Agreement, each party acknowledges and accepts its respective rights, duties, and responsibilities hereunder. This Agreement shall be deemed signed and accepted by Adviser on the date and at the time the Client executes it.

## Exhibit A - Fees

### Fees on Investments

- Adviser only charges its clients Fees on Investments in Portfolios. As defined above, an Investment refers to the Assets designated by you to be invested in a specific Portfolio.
- No Fees are charged on Assets in your Account that are not invested in Portfolios.

### Fees Are Based on the Portfolios You Select

Prior to investing in any Portfolio, you will be advised of the Fee, including any annual management fee rate applicable to your Investment in that Portfolio. By choosing to invest in a specific Portfolio, you agree to pay the Fees associated with that Portfolio, which are displayed on that Portfolio's webpage on the Adviser's website located at <https://interactiveadvisors.com/> and on the screen where you invest in the Portfolio. If the fee information on the portfolio pages is different from the fee information set forth in this Agreement, this Agreement controls.

The annual management fee varies by the Portfolio chosen and is quoted as an annual percentage of the gross market value of the Investment.

Generally, you will pay Adviser the following Fees:

### Annual Management Fee

- **Investments in Interactive Advisors-Managed Portfolios:** An annual management fee ranging between 0.10% and 0.20% of the gross market value of your Assets invested in an Interactive Advisors-managed Portfolio depending on the portfolio type you choose to invest in. The fee associated with each Interactive Advisors-managed Portfolio is specified on each portfolio page located at <https://interactiveadvisors.com/> and on the screen where you invest in the Portfolio. The Fees vary by portfolio line and they are the following at this time:
  - Smart Beta Portfolios: 0.20%
  - Asset Allocation Portfolio (standard and customized) : 0.20%
  - Socially Responsible Investing Portfolios: 0.20%
  - Index Tracking Portfolios: 0.20%
  - WisdomTree ETF Portfolios: 0.10%
  - State Street ETF Portfolios: 0.10%
  - *For all Interactive Advisors-Managed Portfolios except the Index Tracking Portfolios, Interactive Advisors retains the entire annual management fee charged to its clients and does not pay any portion of the Fee to any Third-Party Portfolio Managers or any other third party. For the Index Tracking Portfolios, Interactive Advisors remits some of the fee revenue collected from investing clients to the third parties licensing the data to it.*
- **Investments in Portfolios Managed by Third-Party Portfolio Managers:** An annual management fee ranging between 0.25% and 0.75% of the gross market value of your Assets invested in each Portfolio managed by a Third-Party Portfolio Manager.
  - For client investments in Portfolios managed by Third-Party Portfolio Managers, Interactive Advisors retains a 0.25% management fee and pays the rest of the Fee to Third-Party Portfolio Managers.
- These annual management fees will be deducted from Assets held in your Account. The annual management fee will be computed daily and payable monthly in arrears (or in connection with a withdrawal from a Portfolio). On a daily basis, the applicable fee rate associated with each Portfolio in which you have invested will be applied to the

end-of-day gross market value of your Investment in that Portfolio, and the resulting amount will be divided by 365. At the end of each month, you will be charged a fee made up of the sum of all daily fees calculated during that month for each Investment.

- The gross and net market value of a Portfolio is determined from the statements provided by Interactive Brokers, an affiliate of Adviser.
- Interactive Advisors does not charge Clients Performance Fees (i.e., fees based on share of capital gains on, or capital appreciation of the assets in their accounts) for investments in any of the Portfolios on its platform.

# Interactive Brokers LLC and Interactive Advisors' Disclosure Regarding IBKR-LITE Commission Structure for All Interactive Advisors Clients

Interactive Advisors has elected to have all of its clients' brokerage accounts ("Client Accounts") at Interactive Brokers LLC ("IBKR") operate under IBKR's zero-commission "IBKR-LITE" fee model.

IBKR-LITE clients are charged zero commission for US exchange-listed stock and ETF trades, but they may incur non-commission related fees such as market data fees for other products, service fees such as wire transfer fees, and fees to cover regulatory fees incurred by IB LLC when clients sell stocks. These fees are not intended to be a direct pass-through of exchange and third-party fees. Costs passed on to IBKR-Lite clients may be greater than the costs paid by IBKR to the relevant exchange, regulator, clearinghouse or third party. For products not entitled to zero-commission trading under IBKR Lite, the same commission structure will apply to both IBKR-Lite and IBKR-Pro. Where applicable, a "Fixed" commission model will apply to IBKR-Lite clients for such products. For more information, see [ibkr.com/commissions](https://ibkr.com/commissions)

IBKR-LITE orders for NMS stocks are generally routed to select over-the-counter market-makers ("Market Makers") for handling. IBKR's agreements with the Market Makers provide IBKR payment for order flow ("PFOF") from each Market Maker for trades executed with that Market Maker. IBKR may also route IBKR-LITE orders to another broker, ATS, or exchange (each an "Away Route"), in which case IBKR may collect PFOF for trades executed at or through that Away Route.

Although IBKR's receipt of PFOF may reduce the amount of price improvement that Client Accounts obtain on their stock and ETF trades (as compared to the price improvement available under IBKR's IBKR-PRO fee model), Interactive Advisors believes that the amount that Client Accounts save by avoiding commissions (as compared to IBKR-PRO) generally more than compensates for any loss of price improvement.

For more information on the differences between IBKR's IBKR-LITE and IBKR-PRO offerings, please see IBKR's [Order Routing and Payment for Order Flow](#) disclosure and [IBKR's website](#).

Interactive Advisors' election of the IBKR-LITE service for its Client Accounts constitutes a conflict of interest for Interactive Advisors in light of the corporate affiliation between Interactive Advisors and IBKR and the fact that the payments IBKR will receive from Market Makers and Away Routes on Client Account orders will benefit the parent company of both entities (IBG LLC) and thus Interactive Advisors indirectly, and the fact that IBKR-LITE executions may (but are not expected to) bring clients higher total cost of execution than IBKR-PRO executions (even after accounting for the commissions savings, as a result of missed opportunity for greater price improvement).

This conflict of interest is disclosed to and acknowledged by Interactive Advisors clients at account opening through the provision of this disclosure. This conflict is mitigated by Interactive Advisors periodically reviewing IBKR's execution quality statistics to confirm that IBKR-LITE's total cost of execution (calculated as commissions and fees paid minus price improvement obtained) is generally equal to or better than IBKR-PRO's total cost of execution after accounting for the commissions savings from IBKR-LITE. Interactive Advisors believes the benefits clients will receive from the IBKR-LITE commission structure outweigh the conflict of interest.

# Authorization for Transactions in Retirement Accounts

## SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 ("ERISA") AND THE INTERNAL REVENUE CODE OF 1986 (THE "CODE")

### Your authorization for certain transactions.

If you own an account which is part of a plan, such as a pension or other employee benefit plan, which is subject to the prohibited transaction and fiduciary responsibility rules of Part 4 of Title I of ERISA, or the prohibited transaction rules of Section 4975 of the Code, or both, you agree to and provide this Authorization.

ERISA and the Code generally prohibit fiduciaries with respect to employee benefit plans and individual retirement accounts ("IRA"), like Covestor Ltd (doing business as "Interactive Advisors"), from engaging in self-dealing in connection with transactions involving plans and IRAs. But the Prohibited Transaction Exemption (PTE) 86-128 issued by the Department of Labor allows fiduciaries and their affiliates: (a) to receive compensation in connection with certain securities transactions entered into by plans and IRAs, and (b) to act as agent in agency cross transactions for both a plan or IRA and one or more other parties to the transaction and receive fees from the other parties in connection with these transactions if certain specific authorization and reporting requirements are met.

Pursuant to PTE 86-128, you hereby authorize Interactive Advisors and Interactive Brokers LLC ("Interactive Brokers"), Interactive Advisors's affiliated broker-dealer, to:

- receive brokerage commissions or payment for order flow from market makers for effecting or executing securities transaction in your account to the extent that the securities transactions are not excessive in amount or frequency under the circumstances; and
- act as a broker for both you and the party on the other side of the transaction and receive reasonable compensation from both you and the other party (trades referred to as "agency cross transactions").

As stated in the Investment Management Agreement, all brokerage transactions in your account will occur through Interactive Brokers, Interactive Advisors's affiliate, and are subject to this authorization requirement in the case of retirement accounts.

You may terminate this Authorization at any time by providing written notice to Interactive Advisors. Interactive Advisors will also give you the opportunity to revoke this Authorization annually.

You can terminate this Authorization and your Investment Management Agreement, without penalty, with written notice to Interactive Advisors via first class mail, personal delivery or email. Although written notice of termination is required, you are not expected to use the below Termination Notice form in order to effectively terminate this Authorization. That is simply the form that Interactive Advisors will use as part of its annual reauthorization process.

Annually, Interactive Advisors will email you a Termination Notice form giving you the opportunity to terminate this Authorization. This form (provided below) will explain that the agreement is terminable at will at any time upon providing written notice to Interactive Advisors and your failure to return the Termination Notice form or provide some other written notification of your intent to terminate this Authorization and the Investment Management Agreement with Interactive Advisors within thirty days from the date the termination form is sent to you will result in the continued authorization of Interactive Advisors and Interactive Brokers to engage in the above-described transactions on behalf of your account.

Please note that, if you terminate this Authorization, you will no longer be able to invest through Interactive Advisors as all trades we make on your behalf are executed through Interactive Advisors' affiliated broker-dealer, Interactive Brokers, and transactions in portfolios you invest in may constitute agency cross transactions between your account and the account of another Interactive Brokers customer.



## **Documents Interactive Advisors provided to you before this authorization.**

You acknowledge that, before you have provided authorization for the above-referenced transactions, Interactive Advisors has provided you with a copy of Prohibited Exemption 86-128 (<https://www.gpo.gov/fdsys/pkg/FR-2016-04-08/pdf/2016-07929.pdf>), the form for termination of this Authorization (provided below), the Investment Management Agreement (available in the Account Opening Agreements and Disclosure, this document, also available here: <https://interactiveadvisors.com/forms-and-agreements>) which describes Interactive Advisors's execution of brokerage transactions through its affiliated broker-dealer and the conflicts of interest posed by agency cross transactions, and Interactive Advisors' Informational Brochure, SEC Form ADV Part 2A (available on this page: <https://interactiveadvisors.com/forms-and-agreements>). You may find a description of Interactive Advisors's brokerage practices in the Informational Brochure (Form ADV Part 2A), in Item 12: Brokerage Practices.

You may contact Interactive Advisors to request additional information on Interactive Advisors and Interactive Brokers' brokerage practices.

## **Trade confirmations and activity statements.**

Through the Account Management functions on the Interactive Brokers website (or in the Account Management window embedded on the [https://interactiveadvisors.com/ dashboard](https://interactiveadvisors.com/dashboard)), you may access trade confirmations, daily, monthly and annual Activity Statements that detail:

- all securities transactions in your account;
- the date, time, identity, price, and number of shares of each security purchased or sold;
- whether Interactive Brokers acted as an agent for you and some other person in the transaction; and
- all commissions you paid in connection with the trading in your account.

Interactive Brokers also physically mails quarterly account summaries to your mailing address.

Quarterly and annual statements separate out the amount of commissions retained by Interactive Brokers and any amount of commissions paid to other persons for execution or other services.

Annual activity statements for your account also include:

- any material changes to Interactive Brokers' brokerage practices during the year (if applicable);
- an annualized portfolio turnover ratio calculated as a percentage of assets (i.e., securities and cash) over which Interactive Advisors had discretionary investment authority at any time during the year; and
- a statement identifying the total number of agency cross transactions during the year and the total amount of all commissions or other remuneration received from all sources by Interactive Brokers.

As stated in the Investment Management Agreement, all brokerage transactions in your account will occur through Interactive Brokers, Interactive Advisors' affiliate, and are therefore covered transactions that need to appear on your trade confirmations and activity statements. Agency cross trades will be separately identified on your trade confirmations and activity statements.

## Proposed Termination Notice Form

I, \_\_\_\_\_, request immediate termination of the *Authorization for transactions in retirement accounts subject to the Employee Retirement Income Security Act and the Internal Revenue Code* (“Authorization”) that I have previously provided to Covestor Ltd (“Interactive Advisors”) and Interactive Brokers LLC (Interactive Brokers) and the Investment Management Agreement that I have previously entered into with Interactive Advisors.

I have confirmed that I have returned this termination notice to Interactive Advisors within thirty days from the date Interactive Advisors sent me this annual termination form.

I understand that my failure to return this termination form or provide some other written notification of my intent to terminate the Authorization and the Investment Management Agreement with Interactive Advisors within thirty days from the date this termination form was sent to me will result in the continued authorization of Interactive Advisors and Interactive Brokers to engage in the authorized transactions on my behalf.

Nonetheless, I may terminate the Authorization at will and at any time, without penalty, by sending Interactive Advisors a written notice of termination via first class mail, personal delivery or email. My written termination notice to Interactive Advisors does not need to use this specific form, and may be a simple email or letter.

I understand and acknowledge that, if I terminate the Authorization, I will no longer be able to invest through Interactive Advisors as all trades in Interactive Advisors portfolios are executed through Interactive Advisors’s affiliated broker-dealer, Interactive Brokers, and transactions in portfolios I may wish to invest in constitute agency cross transactions between my account and the account of another Interactive Brokers brokerage customer.

I acknowledge that Interactive Advisors has provided me with all required disclosures and reporting during the time period that the Authorization and the Investment Management Agreement were in effect.

Signed and acknowledged,

\_\_\_\_\_

# Interactive Advisors Privacy Policy

## FOR CLIENTS, MANAGERS, ADVISERS AND WEBSITE VISITORS

Covestor Limited doing business as Interactive Advisors has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about you is an important responsibility. That is why we have developed policies and practices designed to protect the privacy of your personal information. We also know that you expect us to serve you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. By opening an account or contracting with Interactive Advisors or by utilizing any of our services, you have consented to the collection and use of some of your personal information in accordance with this privacy policy. We encourage you to read this privacy policy carefully.

This policy is based on the privacy and data protection principles common to the countries where we have offices and is intended to summarize our data protection practices generally and to advise our clients, managers, advisers, website visitors and other third parties about the privacy policies that may be applicable to them.

This policy outlines the types of information we collect about you and how we use and safeguard that information. It applies to the use of our products or services and to our sales, marketing and customer service activities. If you have any questions or concerns regarding this statement, you should contact us by phone at 1 (866) 825-3005 or by email at [clientservices@interactiveadvisors.com](mailto:clientservices@interactiveadvisors.com).

### Industry Developments and Marketing

We like to keep our clients, managers, advisers, prospects and other interested parties informed of developments of interest to them. If you do not want to receive publications and / or emails from us, please let us know by sending a request to be removed from our email lists to [clientservices@interactiveadvisors.com](mailto:clientservices@interactiveadvisors.com).

### What Personal Information We Collect

As a general principle, you will provide us with your personal information entirely voluntarily. While there are usually no detrimental effects for you if you choose not to consent or to provide personal information, we will not be able to take certain actions you request us to without some of your personal information. For instance, personal information is required to enter an agreement with us, process any instructions you request, or provide you with access to our services or newsletter. In these cases, it will unfortunately not be possible for us to provide you with what you request without the relevant personal information and we will notify you accordingly.

In order to provide our services to you and to comply with applicable legal obligations and regulatory requirements, Interactive Advisors collects certain personal, nonpublic information from you ("Personal Information").

This includes information collected from the following sources:

- Information collected during the account application process or your answers to our risk assessment questionnaire (such as your name, e-mail address, telephone number, birth date, social security number, income and net worth, investment horizon, financial and investment status, risk-return attitudes, etc.);
- Information acquired from communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, financial advisers, etc.);
- Information acquired as a result of transactions processed by Interactive Advisors, our affiliates, or others (such as account numbers, additions/withdrawals, purchases, sales, account balances, inquiries, etc.);
- Information we collect from your use of our services, including our website (such as what services you use and how you use them, device information, information collected through internet "cookies", etc.); for additional information on our use of cookies, please see our Cookie Policy available on the [Forms and agreements page](#).

- Information collected from other legitimate sources (such as our affiliated companies, third-party aggregators, our marketing partners, consumer reporting agencies, public sources or social networks).

We do not collect or process Personal Information related to your racial or ethnic origins, political opinions, religious or philosophical beliefs, genetic data, biometric data, or data concerning your health, your sex life or orientation.

## How We Use Your Personal Information

If you are a client, manager or adviser contracting with us, we will collect and use your Personal Information as necessary to perform a range of activities. A few examples include: :

- Taking steps at your request prior to entering into an agreement with us;
- Providing you with our advisory services;
- Entering into or carrying out any agreements;
- Pursuing legitimate interests, in particular to carry out, monitor and analyze our business or website operations;
- Dealing with any requests or inquiries you may have in connection with our advisory services and any agreement you have with us;
- Sending you communications related to the servicing of your account;
- Enhancing your client experience;
- Providing you with customer service;
- Contacting you (unless you tell us you prefer us not to) regarding financial developments that may be of interest to you;
- Complying with any applicable laws or regulations in any country; and
- To accomplish any purpose related and/or ancillary to any of the above or any other purpose for which your Personal Information was provided to us.

In some cases, and if required under the applicable law, we may seek your consent before using your Personal Information for the following purposes:

- Using your information to send you marketing communications about Interactive Advisors services or resources;
- Using your information to send you our Smarter Investing newsletter;
- Using your information to send you customer surveys, marketing campaigns, market analysis, contests and other promotional activities or events;
- Sharing your information with our affiliates and non-affiliates to market to you; and
- Sharing information about your creditworthiness with our affiliates.

With regard to marketing communications, we will - where legally required - only provide you with such information after you have opted in and provide you with the opportunity to opt out at any time if you do not want to receive further marketing-related communication from us. If you do not want to receive marketing emails from us, please let us know anytime by following this link: <https://investing.interactiveadvisors.com/email-settings>. You may instruct us at any time not to process your Personal Information for marketing purposes. We use email tracking technologies when sending subscription based e-mails. When you receive an email from us and allow it to open images, we may be notified that you have opened the email, and some links inside the email may also be tracked when they are visited. This information allows us to better understand how the email performed and improve the content for further mailings. You can opt-out of email tracking at any time by using the unsubscribe link provided in each e-mail or contacting [clientservices@interactiveadvisors.com](mailto:clientservices@interactiveadvisors.com).

You may not opt-out of account servicing or service-related announcements, which are not promotional in nature. For instance, we will send you communications related to the servicing of your account, such as take-on instructions and order confirmations. We will also send you service-related announcements on rare occasions when it is necessary to do so, such as when our service is temporarily suspended for maintenance. **We will send you occasional emails updating you about our services and you may unsubscribe from these at any time.**

Depending on which of the above purposes we use your Personal Information for, we may use your Personal Information on one or more of the following legal grounds:

- Processing is necessary for the performance of a client instruction or other contract with you;
- To comply with our legal obligations; and
- Processing is necessary for the purposes of our legitimate interest or those of any third-party recipients that receive your Personal Information, provided that such interests are not overridden by your interests or fundamental rights and freedoms.

In addition, the processing may be based on your consent where you have expressly given that to us.

## **How We Share Your Personal Information**

We do not disclose any non-public Personal Information we collect about you to anyone except:

- In furtherance of our business relationship with you and then only to those persons necessary to effect the transactions and provide the services that you request and authorize (such as broker-dealers, custodians, etc.) including our affiliated broker dealer Interactive Brokers LLC and other affiliates assisting us in providing services to you;
- To persons assessing our compliance with industry standards (e.g. professional licensing authorities, etc.);
- To our attorneys, accountants, auditors, regulators or as otherwise required by government agencies and other third parties by law and where it is reasonably necessary for the establishment, exercise or defense of a legal or equitable claim or for the purposes of a confidential alternative dispute resolution process; and
- To third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). We will require your consent before disclosing any non-public Personal Information to third parties for marketing purposes. These third parties are prohibited from using or sharing the information for any other purpose.

Otherwise, we will only disclose your Personal Information when you direct us or give us permission, when we are required by applicable law or regulations or judicial or official request to do so, or as required to investigate actual or suspected fraudulent or criminal activities.

If you decide at some point to terminate our services, we will continue to adhere to this privacy notice, as may be amended from time to time.

## **How We Protect Your Personal Information**

It has always been the policy of Interactive Advisors to exercise the utmost discretion regarding the information our clients entrust to us. Interactive Advisors uses client information subject to the client's direction and control, and Interactive Advisors maintains reasonable and appropriate, although not infallible, security precautions.

We safeguard the confidentiality of your Personal Information in a number of ways. For example:

- We do not sell or license lists of our clients, managers, advisers, or website visitors or the Personal Information about them.

- We never trade, sell or share your information with any unrelated parties except as necessary or appropriate to conduct Interactive Advisors' regulated and business activities, subject to appropriate confidentiality, privacy and information security commitments provided by the receiving party, or to further your interests, or as permitted or required by law or as authorized or directed by you.
- We restrict access to the Personal Information that you have shared with us to those Interactive Advisors employees, agents and affiliates who need to know such information in connection with the services that Interactive Advisors or an Interactive Advisors affiliate provides to you. This may include third party vendors Interactive Advisors utilizes to provide services to you.
- We maintain strict employment policies that prohibit employees who have access to your Personal Information from using or disclosing such information except for business purposes.
- We take substantial precautions to safeguard your Personal Information, and maintain physical, electronic and procedural safeguards that comply with applicable U.S. federal or state (or other applicable) standards to protect your non-public personal information. For example, the Interactive Advisors system can be accessed only by authorized Interactive Advisors personnel via valid user names and passwords. In addition, our Internet-based systems include security measures such as encryption and firewalls.
- Our website (<https://interactiveadvisors.com/>) uses secure socket layer technology (SSL) so that information displayed and submitted by you is always encrypted. No method of transmission over the Internet, or method of electronic storage, is 100% secure, however. Therefore, while we strive to use commercially acceptable means to protect your Personal Information, we cannot guarantee its absolute security.
- No Internet, email, or electronic operating system that enables the transmission of data is ever fully secure or error-free; therefore, we cannot ensure or warrant the security of any information you transmit to us.

## **How Long We Maintain Your Personal Information**

We will retain your Personal Information for as long as we find it necessary to fulfill the purpose for which the information was collected. Most client information will be kept for the duration of the contractual relationship for business and operational purposes, such as account maintenance and responding to legal claims or regulatory requests. We will generally retain your Personal Information in an identifiable form as long as necessary to meet legal, regulatory and business requirements. At a minimum we will retain records for at least five years to satisfy our books and record obligations under Rule 17 C.F.R. 275.204-2. We will also retain your Personal Information for a reasonable period of time after the end of the contractual relationship to comply with applicable laws and regulations or as needed for our operational requirements. When the Personal Information that we have collected is no longer required, we will either delete it in a secure manner or anonymize it by removing all Personal Information associated with our records.

We will not retain Personal Information for longer than it is necessary, and we will securely delete it no later than a set number of years after the closure of the account or the last communication with us, whichever is later. Notwithstanding this provision, we may retain this Personal Data past standard retention periods where such retention is necessary for compliance with a legal obligation to which we are subject (e.g., in connection with litigation, investigations and proceedings) or in order to protect your vital interests or the vital interests of another natural person.

## **Amending Your Account Information**

We are committed to keeping accurate and up-to-date records. To update or correct any of your information, please contact us at 1 (866) 825-3005 or [clientrelations@interactiveadvisors.com](mailto:clientrelations@interactiveadvisors.com) or change the information on our website.



## Other Important Information

### Changes to Our Privacy Policy or Relationship with You

We may need to update this Privacy Policy from time to time. The latest version of this policy will always be found on the [Forms and Agreements page](#) and in the footer section of our website at <https://interactiveadvisors.com/>. Should we make any changes to this Privacy Policy that may significantly alter our privacy practices, we will provide you with notice through our website or through our other usual communication channels (e.g., email, dashboard notice) when we implement the change. Changes to the Privacy Policy will take effect as soon as posted on our website.

### Cookies

Please see our separate Cookie Policy available on the [Forms and agreements page](#).

When you visit our website, we use cookies to enhance your user experiences. Cookies enable us to maintain your web session while you browse our website as well as help us provide you with a better, more personalized experience. We automatically receive and record information on our server logs from your browser including your IP address, Interactive Advisors cookie information, and the pages you request. We use this information to improve the functionality and usability of our website.

We will ask website visitors to consent to our use of cookies in accordance with the Cookie Policy when they first visit the website. A cookie pop-up will be displayed to all visitors to our website located at <https://interactiveadvisors.com/> until they set their cookie preferences. Once a website visitor sets his cookie preferences the pop-up will no longer display unless he clears his cookies or uses a different browser or device to access the website. Website visitors may revoke their previous consent to our use of cookies at any time by visiting the Cookie Policy page available on the [Forms and agreements page](#).

### Data Transfer

We may transfer, process and store your Personal Information in centralized databases and with service providers located abroad if required for the purposes set forth in this policy, for instance, in the United States, where we are licensed as an investment adviser, have an office, and our affiliated broker-dealer's (and other servicing affiliates') operations are located. We also back up our production data with a third-party vendor located in the United States and use various other third-party vendors located in the United States who may have access to Personal Information by virtue of performing services for us that allow us to fulfill our contractual obligations to you. The United States may not have the same data protection framework or provide the same level of protection as the country where you are using our services from, for example the laws within the European Economic Area. This Privacy Policy governs such Personal Information transfers to the United States.

We will comply with the General Data Protection Regulation requirements providing adequate protection for the transfer of Personal Information from the European Union to the United States. We will also require our agents, consultants and sub-contractors and others who are outside of the European Economic Area or the United States and to whom we transfer your Personal Information to ensure a similar level of data protection. When doing so we will comply with applicable data protection requirements and take appropriate safeguards to ensure the security and integrity of your Personal Information.

### Other Terms and Conditions

There may be other specific terms and conditions in our agreement with you that govern the collection, use and disclosure of your Personal Information.

### Contact Us

This website is owned and operated by Covestor Limited. Covestor Limited is a private limited company incorporated in the United Kingdom. Its principal place of business is at Floor 12, 20 Fenchurch Street, London EC3M 3BY, United Kingdom. While incorporated in the United Kingdom, Covestor Limited is registered as an investment adviser with the U.S. Securities

and Exchange Commission. You may contact us by mail at the above address or at our Boston office address (100 Summer St, Floor 16, Boston, MA 02210), by phone at 1 (866) 825-3005, or by email at [clientservices@interactiveadvisors.com](mailto:clientservices@interactiveadvisors.com). You may also find our contact information on this webpage: <https://interactiveadvisors.com/get-in-touch>

For purposes of complying with data protection laws in the UK and the European Union, Interactive Advisors has designated a Data Protection Officer (DPO) to enhance and promote compliance with privacy and data protection principles. The DPO serves as a point of contact for answering questions regarding accessing, amending, or correcting your Personal Information and addressing issues and disputes. If you have any questions relating to our use of your Personal Information please contact our DPO, at [dpo@interactiveadvisors.com](mailto:dpo@interactiveadvisors.com).

## Notice of Rights under the California Consumer Privacy Act

The [California Consumer Privacy Act of 2018](#) (“CCPA”) gives consumers more control over the personal information that businesses collect about them and the [CCPA regulations](#) provide guidance on how to implement the law. This landmark law secures new privacy rights for California consumers, including:

- The [right to know](#) about the personal information a business collects about them and how it is used and shared;
- The [right to delete](#) personal information collected from them (with some exceptions);
- The [right to opt-out](#) of the sale of their personal information; and
- The [right to non-discrimination](#) for exercising their CCPA rights.

The CCPA is not applicable to Interactive Advisors as we do not meet one or more of the Act’s regulatory thresholds. We never trade, sell or share your information with any unrelated parties except as necessary or appropriate to conduct Interactive Advisors’ regulated and business activities, subject to appropriate confidentiality, privacy and information security commitments provided by the receiving party, or to further your interests, or as permitted or required by law or as authorized or directed by you. Nevertheless, California residents can request information related to Personal Information we have collected about them and/or request deletion of their Personal Information by referring to “How Long We Maintain Your Personal Information” and/or contacting us.

## Notice of Rights under the European Union’s General Data Protection Regulation

As an entity incorporated in the United Kingdom, Interactive Advisors is subject to the requirements of the European Union General Data Protection Regulation (“GDPR”). For purposes of GDPR, Personal Information is any information relating to an identified or identifiable natural person. This policy applies when we are acting as a data controller with respect to the Personal Information of clients, managers, wealth managers, and website visitors, i.e., where we determine the purposes and means of processing that Personal Information. For clients, managers and wealth managers, we collect and process Personal Information for the legitimate purpose of providing them with services they requested and performing the contract we have entered with those clients, managers and wealth managers. If we intend to further process your Personal Information for a purpose other than that for which it was initially collected, we will provide you with information on that other purpose before we use it. We procure consent from website visitors, subscribers to our Smarter Investing Newsletter and other recipients of our emails to process their Personal Information.

If you are a natural person and we process your Personal Information under this policy or through consent, GDPR grants you the following rights with respect to your Personal Information:

1. **The right to be informed.** You have the right to be informed about Interactive Advisors’ collection and use of your Personal Information, including information about our purposes for processing your Personal Information, our retention period for that information and who this information is shared with.
2. **The right of access.** You have the right to request a copy of the Personal Information that Interactive Advisors collects and processes for you. We may request appropriate evidence of your identity before responding to such a request. We will normally respond within a period of one month from the date we receive the request. If we process a large amount of your data, we may respond within three months of the date we receive your request but will email

you within one month to let you know whether that is the case. If a request is manifestly unfounded or excessive, we will notify you whether that is the case and whether or not we will respond to it. The first copy of your Personal Information will be provided free of charge, but additional copies may be subject to a reasonable fee.

3. **The right of rectification.** You have the right to request that Interactive Advisors correct your Personal Information if inaccurate, incomplete or out of date.
4. **The right to erasure.** In certain circumstances, you have the right to request deletion of your Personal Information without undue delay. For instance, you have the right to request that your Personal Information be deleted when it is no longer necessary for Interactive Advisors to retain such data for the purposes of which that information is processed. You may withdraw consent to consent-based processing. There may be circumstances where you ask us to erase your personal information but we are legally entitled to retain it, e.g., when we need to comply with a legal obligation or need to establish, exercise or defend legal claims.
5. **The right to restrict processing.** You have the right to restrict the processing of your Personal Information or withdraw your consent to Personal Information processing at any time. For instance, you may request to restrict the processing of your Personal Information when: you contest the accuracy of your Personal Information; processing is unlawful but you are opposed to deletion of Personal Information; we no longer need the Personal Information for the purpose of processing, but you may need it for the establishment, exercise or defense of legal claims. When restricted on this basis, we may continue to store your Personal Information but only: with your consent, for the establishment, exercise or defense of legal claims, for the protection of the rights of another natural or legal person, or for reasons of important public interest.
6. **The right to data portability.** You have the right to request that we provide you with your Personal Information and, if possible, provide this information directly (in a portable format) to another service provider when the processing is based on consent or contract.
7. **The right to object to processing.** You have the right to object to the processing or request a restriction of further processing of your Personal Information by Interactive Advisors based on legitimate interest and/or direct marketing. If you make such an objection, we will cease to process your Personal Information unless we can demonstrate compelling legitimate reasons for processing which override your interests, rights and freedoms or the processing is for the establishment, exercise or defense of legal claims.
8. **The right to lodge a complaint with a supervisory authority if you believe that our processing infringes data protection laws.** You may do so in the EU member state of your habitual residence, your place of work, or the place of the alleged infringement.
9. **The right to withdraw consent to the processing of Personal Information, if that is the basis for processing.** Withdrawal of your consent does not affect the lawfulness of processing before withdrawal. Also, in certain circumstances it may be lawful for us to continue processing your Personal Information without your consent if we have another legitimate reason for doing so.
10. **You have the right to object to our processing of your Personal Information for direct marketing purposes.** If you do, we will cease to process your Personal Information for this purpose.
11. **You have the right to not be subject to a decision based solely on automated processing, including profiling, which significantly affect you.** Interactive Advisors risk score questionnaire is the only automated decision-making mechanism we use that processes your Personal Information. Because that questionnaire is our means of determining the suitability of our investment portfolios for your client profile in order to satisfy our regulatory obligations and to perform the investment management services you requested under the Investment Management Agreement we have with you, this right is inapplicable to our processing of your Personal Information.

To exercise any of the above rights, you may send an email to [dpo@interactiveadvisors.com](mailto:dpo@interactiveadvisors.com). We may request that you prove your identity by providing us a copy of a valid means of identification in order for us to comply with our security obligations and prevent unauthorized disclosure of data.

We have attempted to summarize above the rights granted by GDPR. Please note that some of these rights are complex and not all of the details could be included in this summary. You should read the relevant laws and guidance for a full explanation of these rights. The website of the UK Information Commissioner's Office has detailed information about these rights: <https://ico.org.uk/>