

## FRACTIONAL SHARE TRADING DISCLOSURE

AQUAS Financial (“AQUAS”) allows its brokerage customers to directly purchase certain stocks and ETFs (where available) (“Shares”) in fractional Shares rather than whole Share quantities. This disclosure outlines the unique features, limitations, and risks associated with trading in and holding fractional Shares.

**Capacity** – In connection with any fractional share component of any purchase or sale transaction, AQUAS Financial will generally act as a counterparty and will execute that portion of the trade as principal or riskless principal on a NOT HELD basis. A not-held order gives AQUAS time and price discretion to seek the best price available. AQUAS is not responsible for any potential losses or missed opportunities that result from our best efforts. Orders for whole shares will continue to be generally handled in an agency capacity. The customer will always be the beneficial owner of any fractional shares in their account and all fractional shares owned by a customer are segregated in AQUAS books and records in the same manner and to the same extent as whole shares owned by the customer. As previously described, fractional customer orders are handled on a not held basis. As such, there may be instances where AQUAS trades “along with” or “ahead of” a customer fractional share quantity or dollar amount of a particular security as permitted by applicable law. If you do not wish your order to be handled on a “Not Held” basis, you should not engage in fractional trading.

**Liquidity and Transfer of Fractional Shares** – AQUAS’ fractional trading functionality supports the purchase of certain stocks and ETFs. AQUAS reserves the right to add or delete fractional-eligible securities at any time. Sales of existing fractional positions will not be limited. AQUAS reserves the right to modify the list of eligible stocks at any time without notice to you. Any modification to the list of eligible stocks available for fractional trading will not affect any fractional share interest previously acquired by you.

Fractional shares are illiquid outside of the AQUAS trading platform. While customers maintain complete day-to-day control of any fractional shares in their account, fractional shares are not transferable to another broker. If a customer wants to transfer their holdings in an account to another brokerage firm, the fractional share holding cannot be transferred and will need to be liquidated prior to transfer, which may have tax consequences and/or commission charges. To effect a request for transfer, AQUAS will liquidate the fractional shares from the customer’s account using the pricing mechanism described above and may charge commissions on these closing trades, then transfer the remaining whole share quantities.

Notwithstanding that existing fractional positions are eligible to be sold, fractional share positions may be illiquid. AQUAS does not guarantee that there will be a market for fractional share positions and makes no representations or warranties about its ability or willingness to continue to trade as principal in fractional share quantities.

**Available Order Types** – AQUAS will not accept orders for fractional shares for less than \$1.00. AQUAS will only accept certain types of orders for fractional Shares (e.g., market orders, limit orders, stop orders, and stop limit orders). In the event a customer chooses to place a non-marketable limit order with a fractional share component, the fractional component may not execute until the order becomes marketable (and therefore may not execute at all), even if the fractional share component of the order might have executed earlier if submitted for a whole share quantity. Please contact us if you have any questions about order types available for fractional trading.

**Shareholder Rights** – Fractional share interests in a security generally have different rights from full share interests of the same security. Customers will not have voting rights for any of the fractional shares held in their account, will not be able to make voluntary elections on any corporate action (including, without limitation, any tender offers or rights offerings) with respect to such fractional shares, and AQUAS cannot provide customers any other shareholder documentation for any holding of less than one share. Customers 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.

Because of the unpredictable nature of corporate actions, there may be situations that arise that are not described previously. Generally, these situations will be handled in accordance with the concepts applicable to dividends and reorganizations. Interests will be divided and distributed where possible in proportion to your ownership interest, and anything that cannot be divided will be “un-distributable Interests.” The foregoing notwithstanding, these situations are in all cases subject to the terms contained in the materials prepared by the issuer describing the corporate action, as well as AQUAS’ applicable policies and procedures, which may result in a different outcome from what is described above.

**Four-Decimal Place Recording** – AQUAS records both the quantity and price of fractional shares traded or otherwise held in an account to four decimal places. In the case of a dividend paid on, or a redemption of, a fractional interest security, the dividend or redemption proceeds will be passed along to you in proportion to your ownership interest, inclusive of fractional share interests. AQUAS will only support payments that are equal to or greater than \$0.01 (1 cent) per share. Amounts smaller than that, or non-divisible amounts (based on the 0.0001 rounding conventions described above), will not be distributed and are considered “Un-distributable interests.”