

## Portfolio Manager Trading Rules

Account Rules	
Portfolio managers maintain their designated brokerage account in good standing with Interactive Brokers LLC and grant Covestor Limited doing business as Interactive Brokers Asset Management (“IBKRAM”) access to the designated account for the purposes of monitoring daily trading activity and utilizing that activity as the basis for establishing and maintaining an accurate record of their strategy within IBKRAM. Non-compliance with these Account Rules may result in the manager being liable for trading costs incurred by subscribers and/or termination of the manager's agreement with IBKRAM, at IBKRAM's sole discretion.	
Account Type	Managers can choose any account type at IB (Cash, Reg-T Margin or Portfolio Margin). Clients must have the same or greater margin availability to invest, therefore choosing a higher margin account may limit client investments.
Account Option Trading Permission	Managers should only have account option trading permission (Limited or Full) if they are using options as an integral part of the strategy. Clients must have the same or greater option trading permission to invest.
Deposits/ Withdrawals/ Transfers	Managers should not withdraw more than 50% of portfolio cash in any one month or any more than two cash withdrawals in a month since any withdrawal would instigate a large number of client trades. Manager must provide 7 days' notice and work with IBKRAM to avoid adverse impact for clients.
Corporate Actions	For all voluntary corporate action elections, managers are required to make election in their IB account 3 days prior to the corporate action deadline, then notify IBKRAM immediately after making the election.

	Portfolio Risk Score				
Trading Rules	1	2	3	4	5
Security type	US Equities, ADRs, REITS, Closed-End Funds, Preference shares and ETFs				
Market cap minimum	Securities < \$50m blocked (All ETFs allowed)				
Liquidity minimum	Securities < \$100k ADV blocked (All ETFs allowed)				
Leveraged/ Inverse ETFs	Blocked		Leveraged and Inverse allowed		
Margin	Up to 1x leverage ratio		Broker limits		
Shorting	Long-only		Long-short		
Trade time	Regular market opening hours only				
Security type	US equity options on eligible underlying securities & Index options*				
Options strategies	Blocked		Limited**	Any	

\* Options should only be used when an integral part of the strategy. Portfolios trading options will only be available to clients with option trading permissions.

\*\* For an options strategy to be risk score 3 the manager must have 'Limited' options permission set on the account at Interactive Brokers (IB) and meet other risk requirements of a risk score 3 portfolio. 'Limited' options permission allows certain specific covered and spread strategies as defined by IB.

IBKRAM combines these trading rules with risk metrics and other information to determine portfolio risk score. For example, portfolios that meet the trading rule requirements for risk score 1 or 2 could still be deemed a risk score 3,4 or 5 if volatility or VaR is sufficiently high.

#### Trade Errors

Upon the occurrence of a trade error caused by you, you will be provided with details regarding the error in order to assist us in determining whether subscriber compensation is merited. Failure to cooperate in any inquiry may be deemed a manager violation. A trade error is defined as a deviation from the applicable standard of care in placement, execution, or settlement of a trade for a portfolio. In general, the following types of errors would be considered trading errors for the purposes of this Agreement:

- The purchase or sale of the wrong security or wrong amount of securities;
- The purchase or sale of a security in the wrong account.

For purposes of this Agreement, the following types of errors are not deemed to be trading errors:

- Good faith errors in judgment in making investment decisions for portfolios;
- Errors caught and corrected before execution;
- Ticket re-writes and similar mistakes that incorrectly describe properly executed trades; and
- Errors made by persons other than you (e.g. broker-dealers).

IBKRAM is responsible for trade errors that occur during the replication of portfolio trades.