

Enable options strategies

You have requested to invest in an options portfolio managed by Covestor Limited doing business as Interactive Brokers Asset Management (“IBKRAM”).

The Interactive Brokers LLC trading account associated with your IBKRAM account supports trading options. In order to invest in an IBKRAM portfolio that trades options, please confirm you understand and agree to the following:

- I understand the risks of trading options, especially uncovered options, and understand that I may suffer substantial losses and may lose all of the funds in my account and potentially additional funds.
- I have been provided with the current Options Clearing Corporation (“OCC”) disclosure document, [Characteristics and Risks of Standardized Options](#).
- I am financially able to undertake the risks associated with trading equity options and withstand any losses incurred in connection with such trading.
- Options trading is consistent with my investment objectives.
- I understand that IBKRAM will attempt to mirror the options trading in the portfolio(s) in which I invest but may not be able to perfectly replicate the same proportion of options in my account that the manager holds in his account and that the performance of my account may be significantly different, worse or better, than that of the manager’s account (which we refer to as “performance drift”) for several reasons, including but not limited to the following:
 - **Integer replication:** IBKRAM is unable to transact partial options contracts. This will result in my account holding proportionally less or more options than the portfolio manager. As options are leveraged instruments and options positions often have associated stock positions, this position imbalance between my account and that of the portfolio manager could result in my account having significantly different performance, leverage, levels of risk and trading costs than the portfolio I invest in.
 - **Illiquidity:** The liquidity of options contracts in a portfolio varies from one day to the next. Depending on when I choose to invest in an options portfolio, certain contracts may or may not be easily traded. This may result in my account having different performance, leverage, levels of risk and trading costs than the portfolio I invest in.

- **Frequent cash flows:** If I frequently redeem options investments from my account, my account will have proportionally more or less options and associated stock positions than that of the manager, as certain positions are liquidated or additional margin is utilized in order to generate cash for redemptions. Performance drift will also result from frequent cash additions to the options investments in my account.
- I may contact IBKRAM to find out how I could minimize performance drift between my account and any options portfolio I invest in. In response to my inquiry, IBKRAM may recommend that I invest a multiple of a certain set amount and minimize frequency of redemptions from any options portfolios that I invest in. For example, IBKRAM may recommend that I invest in units of an investment minimum to ensure better replication of the manager's options trading in my account.
- I have read, understand and agree to be bound and abide by all the terms of the Investment Management Agreement found on the [Forms and Agreements page](#) on the date that I sign this document.
- I agree that, if I become uncomfortable with option trading in my IBKRAM account, including the losses or level of risks (including performance drift) associated with options trading, I will terminate my investment in any portfolio that is trading options and will remove options trading from my IBKRAM account settings page.