

## **DISCLOSURE FRACTIONAL SHARE TRADING PROGRAM**

Phillip Securities Pte Ltd (“PSPL”) offers a fractional share trading program. This program allows brokerage clients to purchase certain stocks, ETFs, and ADRs in fractional shares as well as whole shares. This disclosure outlines the features, limitations, and risks associated with trading in and holding fractional shares at PSPL.

### **Securities Eligible for Fractional Share Trading**

Fractional share trading is available for some securities, including ETFs and ADRs, as determined by PSPL. To determine eligibility for the fractional share program (“Eligible Securities”), PSPL considers factors such as market capitalization, previously reported volume, trading liquidity, and price volatility. Eligibility for the Fractional Share trading program should not be considered as investment advice or as a recommendation to buy, sell or hold a security. The list of Eligible Securities is not subject to research by PSPL and may change at any time.

### **Fractional Share Order Handling**

PSPL accepts whole share orders with fractional share components. Where a client places an order for a quantity of shares that includes at least one whole share and a fractional share, the client will be deemed to have placed an order for the whole share(s) and a separate order for the fractional shares and the client acknowledges that the two orders may be executed separately (at a different time and at different prices) or one may be executed while the other may not.

All share orders which consist of fractional share components in an Eligible Security are handled on a “**Not Held**” basis, including the whole share component that makes up the share order. ‘Not Held’ share orders with the fractional share components allow PSPL time and price discretion to secure the best possible execution price for the client’s order. If clients do not wish their orders to be handled on a ‘Not Held’ basis, they should not engage in fractional share trading.

### **Order Types and Order Quantities for Fractional Shares**

PSPL only accepts market orders and limit orders which will expire at the end of the trading day (“day limit order”) for fractional shares, subject to certain limitations. The quantity of fractional shares may be entered up to 3 decimal places. Dollar-based orders can be entered up to 2 decimal places (e.g. USD100.00) and the order will be converted into shares up to 3 decimal places (.001), rounded down to the nearest decimal place. PSPL will not accept fractional share orders of less than USD1.00 or for less than .001 shares. Fractional share positions in the client account statement are limited to 3 decimal places (.001).

PSPL only accepts orders in U.S. dollars (“USD”) for US fractional shares.

### **Execution and Principal Capacity**

Although the shares for which PSPL will provide fractional share trading services may be listed or traded on a particular exchange or market, PSPL will **not** route such an order for fractional shares for execution on the exchange or market but instead, place the order with a PhillipCapital affiliate for execution of the trade as **principal or riskless principal** in the trade.

### **Trading Session**

Fractional orders are available for Eligible Securities during normal market hours only (for US market: 9:30 a.m. to 4:00 p.m. ET) and are excluded from trading in the pre-market and post-market trading sessions. Fractional share orders are eligible for real-time execution during market hours.

### **Dividends for Fractional Shares**

Clients will receive payments of cash dividends equal to or greater than USD0.01 in value. Clients may receive stock dividends in either shares equal to or greater than .001 share or commensurate cash value equal to or greater than USD0.01. Clients will otherwise participate normally in any stock splits, mergers, or other mandatory corporate actions.

### **Liquidity and Transferability of Fractional Shares**

Fractional shares are unmarketable and illiquid outside of PSPL and are **not transferable** to another broker/dealer. If a client wants to transfer holdings in an account to another brokerage firm, the fractional shareholdings will need to be liquidated through PSPL. PSPL does not guarantee that there will be a market for fractional shares of any security.

### **Tax, Legal and Accounting Treatment**

Clients own all fractional share interests allocated to their account. Clients should consult their own tax, legal and accounting advisors before engaging in any securities transaction, including fractional share transactions. PSPL does not provide tax, legal or accounting advice.

### **Voting Rights for Fractional Shares**

Clients will not have voting rights for any fractional shares held in their account. Clients 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. PSPL cannot provide shareholder documentation for any holdings of less than one share.

### **Risks of Trading in Fractional Shares**

Owning fractional shares is subject to the same risks of owning whole shares, including but not limited to market risks and the specific risks associated with each individual security.

Clients should be aware that the market for fractional shares is **significantly less liquid** than the market for whole shares and the prices at which orders for fractional shares are executed **may be materially different** from the prevailing prices for the shares that are displayed in PSPL's electronic trading system.

All holdings of fractional shares are rounded to 3 decimal places with the value of fractional shares and any dividends paid on fractional shares rounded to the nearest cent. Due to such decimal place rounding, clients should understand that this may affect, among other things, their ability to be credited for dividends and stock splits.

By engaging in fractional share trading, clients must be aware of the unique risks and limitations of such trading, including but not limited to those set forth above, and accept and agree that PSPL shall not be held liable for the execution, handling, purchasing and selling of fractional shares for clients' accounts.