

Annual PCI Disclosure – Institutional Securities Accounts

Investor Education and Protection: FINRA Rule 2267

The Financial Industry Regulatory Authority (FINRA) requires that brokerage firms provide their clients with the following information:

- The FINRA BrokerCheck® Hotline is 1-800-289-9999.
- The FINRA website address is www.finra.org.
- An investor brochure that includes information describing FINRA BrokerCheck may be obtained from FINRA at the above telephone number or website address.

SIPC Information: FINRA Rule 2266

As a member of the Securities Investor Protection Corporation (“SIPC”), funds are available to meet customer claims up to a ceiling of \$500,000, including a maximum of \$250,000 for cash claims. For additional information regarding SIPC coverage, including a brochure, please contact SIPC at (202) 371-8300 or visit www.sipc.org.

Anti-Money Laundering: USA PATRIOT Act

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. This notice answers some questions about your firm's Customer Identification Program (CIP).

What types of information will I need to provide?

When you open an account, your firm is required to collect information such as the following from you: your name, address, date of birth, identification number: (a) US Citizen: taxpayer identification number (social security number or employee identification number), or (b) Non-US Citizen: taxpayer identification number, passport number and country of issuance, alien identification card number, or government- issued identification showing nationality, residence, and a photograph of you. You may also need to show your driver's license or other identifying documents. A corporation, partnership, trust or other legal entity may need to provide other information such as its principal place of business, local office, employer identification number, certified articles of incorporation, government issued business license, a partnership agreement or a trust agreement. US Department of the Treasury, Securities and Exchange Commission, FINRA and NYSE regulation currently require you to provide additional information, such as net worth, annual income, occupation, employment information, investment experience and objectives, and risk tolerance.

What happens if I don't provide the information requested or my identity can't be verified?

Your firm may not be able to open an account or process transactions for you. If your firm has already opened an account for you, it may be closed.

Disclosure of Order Routing Information: SEC Rule 606

Pursuant to SEC Rule 606, PCI is required to make publicly available a quarterly report with regard to its routing of non-directed orders. SEC Rule 606(b) requires a broker-dealer to disclose to its customers, upon request, “the identity of the venue to which the customer’s orders were routed for execution in the six months prior to the request, whether the orders were directed orders or non-directed orders, and the time of the transactions, if any, that resulted from such orders.” If you require information beyond that available at www.phillipcapital.com, please contact bdops@phillipcapital.com.

Privacy Statement: Regulation S-P

At Phillip Capital Inc. and its affiliates (collectively, “PhillipCapital”), maintaining client trust and confidence is a high priority. We understand that you are concerned with how we treat nonpublic personal information (“Client Information”) that we obtain from you or from other sources about you in the course of providing you with our products and services. For this reason, we want you to understand how we work to protect your privacy when we collect and use information about you, and the steps we take to safeguard that information.

SECURITY PROCEDURES: PhillipCapital restricts access to Client Information about you to:

- Those of our employees and affiliates who need to know that information in order to provide the products and services you receive from us.
- Those unaffiliated brokers who have introduced you to us (“Introducing Brokers”).
- Those unaffiliated third parties whose access to such information is permitted or required by law and who need to know that information in order to assist us in providing you with the products and services you receive from us.

To protect the security of Client Information, we maintain physical, electronic, and procedural safeguards that comply with federal standards for guarding the information we collect about you.

INFORMATION WE COLLECT: In providing you with financial products and services, PhillipCapital may collect the following types of Client Information:

- Information we receive from your Introducing Broker or from you on account applications, whether written or electronic, or on other forms. This information would include your name, address, Social Security number, income, investment experience, and so forth.
- Information about your transactions with us, our affiliates, or others. This information could include your trading through us, our affiliates, and others, your history of meeting margin calls (if applicable), and your use of the various products and services that we and our affiliates provide.
- Information about your creditworthiness, credit history, and other information about you that we receive from consumer reporting agencies, our affiliates, your Introducing Broker, or providers of other demographic information, such as your purchasing or investment preferences.
- Information about you obtained in connection with our efforts to protect against fraud or unauthorized use of your account(s) with us.

CATEGORIES OF PARTIES TO WHICH WE MAY DISCLOSE: PhillipCapital does not disclose non-public personal information about its clients or potential clients to non-affiliated third parties, except as permitted by law. For example, we may share non-public information with the following:

- Financial service providers, such as Introducing Brokers, broker-dealers, futures commission merchants, investment companies, investment advisors, commodity trading advisors, and commodity pool operators.
- Other non-affiliated third parties as permitted or required by law, such as in response to a subpoena or legal process or in order to complete a transaction that you initiated and authorized.

ELECTRONIC DELIVERY DISCLOSURE: By choosing to accept electronic delivery, you agree to receive access to certain documents (including but not limited to confirmations, accounts statements, tax forms) electronically to the email address(es) you indicated on your Account Agreement. You understand that the electronically delivered/accessed documents will be substantially equivalent to a printed paper document that you would otherwise receive in the mail and that all material and required information will be reflected accordingly.

Furthermore, you agree to notify PhillipCapital in writing in the event you encounter difficulties viewing your documents or, if within five (5) days you fail to receive delivery of (or access to) a trade confirmation or statement; absent any such notification, the confirmation(s) and statement(s) will be considered delivered whether or not they were actually received by you. You also agree to notify PhillipCapital in writing if you choose to change or revoke your electronic delivery preference.

In addition, you agree to hold harmless, defend, and indemnify PhillipCapital and its employees from any and all claims, losses, suits, or damages that may, in any manner, arise out of the transmission through the internet of your information, any inaccuracies contained in such information, any subsequent use of such information, whether authorized or unauthorized by intended or unintended recipient(s) or your access to or use of information related to this consent.

ONLINE SERVICES: To better serve you, our products and services are described and, in many cases, available through our website, www.phillipcapital.com. When accessing this website, please read the Privacy Statement that appears there. Our website Privacy Statement provides important information relating to your use of the website, including information regarding our use of “cookies” and the types of information we collect when you access our website.

If you register for our online products or services, we retain your user ID and password and other information about your use of the website in order to recognize you as a registered user. We may obtain your email address from you or from another source. We may send you email offers for our and our affiliates’ products and services. We may also send you emails for third-party products and services we think may be of interest to you. All email offers we send to you include an opportunity to opt out of future email offers.

If you opt out of receiving email offers, we may still send (via email or otherwise) important information about your account(s) with us and our products and services.

Business Continuity Plan Disclosure Statement: FINRA Rule 4370

Introduction

In this Business Continuity Planning Disclosure Statement, learn how Phillip Capital Inc. (“PCI”) works to mitigate risks inherent in unforeseen business interruptions.

With Business Continuity in Mind

PCI has created its business continuity plan to reasonably insure its critical business operations continue to function as developed. The plan includes monitoring and testing of business processes to identify risks that could cause unanticipated business disruptions.

PCI monitoring and testing has enabled (and continues to enable) us to implement prioritized recovery procedures for its various business operations, since some processes have more urgent restoration requirements than others. The Firm develops processes with business continuity in mind, embedding needed resources and knowledge into our day-to-day operations.

A Dedicated Team

PCI established the Business Continuity Team, a dedicated group of professionals that oversees the firm’s business continuity management strategy. This team works closely with business units and the Information Technology department to maintain and test

business continuity. Business continuity plans are created using a multi-hazards approach, including baseline requirements and strategies that address incidents of varying scope.

To assess recovery capability, the Firm conducts detailed periodic testing. In addition, PCI reviews recovery plans on a regular basis to ensure they are compliant with standards and are maintained according to industry guidelines. The Business Continuity Team assists the business to design plans to allow for continued operations of critical business functions, including providing clients with prompt access to their funds and securities.

Leading Incident Management

The Business Continuity Team is comprised of senior management representing key areas of the firm manages incidents that might affect the Firm's associates and clients. A key function of the team is to assess and direct PCI's response to an incident, ensuring the safety and security of all associates and continuity of critical processes.

To diminish risks posed significant disruptions, PCI (and/or its business partners) maintains system redundancies and/or off-site back-up of business critical systems and records. In the event of an emergency at our main office, business critical staff can be relocated to an off-site location to facilitate business continuity.

In the event of a disruption, communications occur in several ways. Consistent and timely messages are disseminated to associates, clients, business partners, regulators and the media (if/as appropriate).

PCI Keeps Clients Informed

In the event of a business disruption, clients can obtain information about the status of their accounts and access to their funds and securities via PCI's website www.phillipcapital.com or by contacting PCI Client Services at 1-312-356-9000 or email info@phillipcapital.com. For questions or more information about Business Continuity at PCI, contact Cameron Frazier at (312) 356-9000.

The Nature of Events: Limitations Disclaimer

Due to the unpredictable nature of events causing significant business disruptions, PCI does not guarantee that systems will always be available or recoverable after such events. Also, the firm's business continuity plans are subject to modification.