

**IT IS VERY IMPORTANT THAT YOU READ AND FULLY UNDERSTAND THE
FOLLOWING RISKS OF TRADING AND INVESTING IN YOUR SELF-DIRECTED
NORTHBOUND SECURITIES ACCOUNT.**

All Customer Accounts are self-directed. Accordingly, Customers are solely responsible for any and all orders placed in their Accounts and understand that all orders entered by them are unsolicited and based on their own investment decisions or the investment decisions of their duly authorized representative or agent. Consequently, any Customer of Northbound Securities agrees that neither Northbound Securities nor any of its employees, agents, principals or representatives:

1. provide investment advice in connection with a Customer Account;
2. recommend any security, transaction or order;
3. solicit orders;
4. act as a market maker in any security;
5. make discretionary trades; and
6. produce or provide research. To the extent research materials or similar information is available through the Northbound Securities website or mobile application, or the websites of any of its affiliates, these materials are intended for informational and educational purposes only and they do not constitute a recommendation to enter into any securities transactions or to engage in any investment strategies.

After the market has closed for the day, Customers of Northbound Securities have the ability to place in a queue, order requests to be executed the following day upon the opening of the market (“Queued Order”). These Queued Order requests are prioritized based on the order in which they are received and are sent out for execution the next day of trading shortly after the market opens. Each Queued Order request is sent per customer and per security as Northbound Securities market orders, and they are not aggregated.

GENERAL RISKS OF TRADING AND INVESTING

All securities trading, whether in stocks, exchange-traded funds (“ETFs”), options, or other investment vehicles, is speculative in nature and involves substantial risk of loss. Northbound Securities encourages its Customers to invest carefully and to use the information available at the websites of the SEC at <http://www.sec.gov> and FINRA at <http://FINRA.org>. Customers can review public companies’ filings at the SEC’s EDGAR page. FINRA has published information on how to invest carefully at its website. Northbound Securities may also make some of this information available on its website.

Northbound Securities believes it is very important that every Customer understands all of the risks of any form of trading or investing prior to trading or investing real dollars. Past performance is not necessarily indicative of future results. By investing their money in securities through Northbound Securities, Customers are taking full responsibility for all trading actions, and should make every effort to understand the risks involved.

1. **You may lose money trading and investing.** Trading and investing in securities is always risky. For that reason, Customers should trade or invest only with money they can afford to lose. While this is an individual matter, typically an investor should risk no more than 10 percent of his or her liquid net worth--and, in many cases, they should risk less than that. For example, if 10 percent of your liquid net worth represents your entire retirement savings, you should not use that amount to buy and sell securities. Trading stock and ETFs involves HIGH RISK, and YOU can LOSE a lot of money. Northbound does not currently permit Customers to trade on margin, but may offer this capability to Customers in the future
2. **Past performance is not necessarily indicative of future results.** All investments carry risk, and all trading decisions of an individual remain the responsibility of that individual. There is no guarantee that systems, indicators, or trading signals will result in profits or that they will not result in losses. All Customers are advised to fully understand all risks associated with any kind of trading or investing they

choose to do.

3. **Northbound Securities is an online brokerage website and affiliated with other non-brokerage informational and other similar types of websites.** Neither Northbound Securities nor its affiliates provide any trading or investment advice. Our affiliate, Northbound Group, Inc. provides technical and administrative services, and it does not offer trading or investment advice or recommend the purchase or sale of any securities. Northbound Securities also does not recommend securities or provide investment advice. Therefore, Customers need to depend on their own mastery of the details of trading and investing in order to handle problematic situations that may arise, including the consultation of their own advisors as they deem appropriate.
4. **Stop orders may reduce, but not eliminate, your trading risk.** Northbound does not currently permit Customers to place Stop Orders, but may offer this capability in the future.

RISKS OF INVESTING IN STOCK AND ETFs

Investments always entail some degree of risk. Be aware that:

- Some investments in stock cannot easily be sold or converted to cash. Check to see if there is any penalty or charge if you must sell an investment quickly.
- Investments in stock issued by a company with little or no operating history or published information involves greater risk than investing in a public company with an operating history and extensive public information. Stock investments are not federally insured against a loss in market value.
- Stock you own may be subject to tender offers, mergers, reorganizations, or third-party actions that can affect the value of your ownership interest. Pay careful attention to public announcements and information sent to you about such transactions. They involve complex investment decisions. Be sure you fully understand the terms of any offer to exchange or sell your shares before you act. In some cases, such as partial or two-tier tender offers, failure to act can have detrimental effects on your investment.
- The greatest risk in buying shares of stock is having the value of the stock fall to zero.
- Investors should consider the investment objectives and unique risk profile of an ETF carefully before investing. ETFs are subject to risks similar to those of other diversified portfolios. Leveraged and Inverse ETFs may not be suitable for all investors and may increase exposure to volatility through the use of leverage, short sales of securities, derivatives and other complex investment strategies.
- Although ETFs are designed to provide investment results that generally correspond to the performance of their respective underlying indices, they may not be able to exactly replicate the performance of the indices because of expenses and other factors. A prospectus contains this and other information about the ETF and should be read carefully before investing. Customers should obtain prospectuses from issuers and/or their third party agents who distribute and make prospectuses available for review. ETFs are required to distribute portfolio gains to shareholders at year end. These gains may be generated by portfolio rebalancing or the need to meet diversification requirements. ETF trading will also generate tax consequences.
- Northbound does not currently permit Customers to engage in “short selling,” but may offer this capability to Customers in the future.