



ANNUAL DISCLOSURE STATEMENT

ANTI-MONEY LAUNDERING

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.

PRIVACY POLICY

Apex Clearing Corporation ("Apex") carries your account as a clearing broker by arrangement with Redbridge Securities LLC ("Redbridge") as introducing broker. At Redbridge, we understand that privacy is an important issue for our customers. It is our policy to respect the privacy of all accounts that we maintain as introducing broker and to protect the security and confidentiality of non-public personal information relating to those accounts. Please note that this policy applies to former customers as well as current customers.

Personal Information Collected

In order to service your account as introducing broker, information is provided to Apex by your introducing broker who collects information from you in order to provide the financial services that you have requested. The information collected by Redbridge and provided to Apex may come from the following sources:

- Information received from you, such as your name, address, telephone number, social security number, occupation, and income;
- Information relating to your transactions, including account balances, positions, and activity;
- Information which may be received from consumer reporting agencies, such as credit bureau reports;
- Information relating to your creditworthiness;
- Information which may be received from other sources with your consent or with the consent of your introducing broker.

Sharing of Nonpublic Personal Information

Redbridge does not disclose nonpublic personal information relating to current or former customers of Redbridge to any third parties, except as required or permitted by law, including but not limited to any obligations of Redbridge under the USA PATRIOT Act, and in order to facilitate the clearing of customer transactions in the ordinary course of business.

Redbridge has multiple affiliates and relationships with third party companies. Examples of these companies include financial and non-financial companies that perform services such as data processing. We may share information among our affiliates, as permitted by law, in order to better service your financial needs.

Security

Redbridge strives to ensure that our systems are secure and that they meet industry standards. We seek to protect non-public personal information that is provided to Redbridge by customers by implementing physical and electronic safeguards. Where we believe appropriate, we employ firewalls, encryption technology, user authentication systems (i.e. passwords and personal identification numbers) and access control mechanisms to control access to systems and data. Redbridge endeavors to ensure that third party service providers who may have access to non-public personal information are following appropriate standards of security and confidentiality. We instruct our employees to use strict standards of care in handling the personal financial information of customers. As a general policy our staff will not discuss or disclose information regarding an account except with authorized personnel of your introducing broker or as required by law or pursuant to regulatory request and/or authority.

Access to Your Information

You may access your account information through a variety of media offered by Redbridge (i.e. statements or online services). Please contact us if you require any additional information.

Redbridge may use “cookies” in order to provide better service, to facilitate its customers’ use of the website, to track usage of the website, and to address security hazards. A cookie is a small piece of information that a website stores on a personal computer, and which it can later retrieve.

Changes to Redbridge's Privacy Policy

Redbridge reserves the right to make changes to this policy.

How to Get in Touch with Redbridge about this Privacy Policy

For reference, this is available on our website at www.bbae.com. For more information relating to Redbridge’s privacy policy, please contact:

- Redbridge Securities LLC
- Attn: Compliance Department
- 2591 Dallas Parkway, Suite 300
- Frisco, Texas 75034
- +1-972-731-4305

MARGIN DISCLOSURE STATEMENT: FINRA RULE 2264

We are furnishing this document to provide you with basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading in a margin account, you should carefully review the margin agreement provided by Redbridge. Please contact us regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, the firm can take action, such as issue a margin call and/or sell securities in your account, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm

that has made the loan to avoid the forced sale of those securities or other securities in your account.

- The firm can force the sale of securities in your account. If the equity in your account falls below the maintenance margin requirements under the law, or the firm's higher "house" requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- The firm can sell your securities without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interest, including immediately selling the securities without notice to the customer.
- You are not entitled to choose which security in your margin account is liquidated or sold to meet a margin call. Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.
- The firm can increase its "house" maintenance margin requirement at any time and is not required to provide you advance written notice. These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.
- The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as a "substitute payment" in lieu of a dividend. A substitute payment is not, a "qualified dividend" and is not taxed as ordinary income.
- Industry regulations may limit, in whole or in part, your ability to exercise voting rights of securities that have been lent or pledged to others. You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.

DAY-TRADING RISK DISCLOSURE STATEMENT: FINRA RULE 2270

You should consider the following points before engaging in a day-trading strategy. For purpose of this notice, a "day trading strategy" means an overall trading strategy characterized by the regular transmission by a customer of intra-day orders to effect both purchase and sale transactions in the same security or securities.

- Day trading can be extremely risky. Day trading, generally, is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not

fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership or funds required to meet your living expenses. Further, certain evidence indicates that an investment of less than \$50,000 will significantly impair the ability of a day trader to make a profit. Of course, an investment of \$50,000 or more in no way guarantees success.

- Be cautious of claims of large profits from day trading. You should be wary of advertisements or other statements that emphasize the potential for large profits as a result of day trading. Day trading can lead to large and immediate financial losses.
- Day trading requires knowledge of securities markets. Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.
- Day trading requires knowledge of a firm's operations. You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.
- Day trading will generate substantial commissions, even if the per trade cost is low. Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs \$16 and an average of 29 transactions are conducted per day, an investor would need to generate an annual profit of \$111,360 just to cover commission expenses.
- Day trading on margin or short selling may result in losses beyond your initial investment. When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.
- Potential Registration Requirements. Persons providing investment advice for others or managing securities accounts for others may need to register as either an "Investment Advisor" under the Investment Advisors Act of 1940 or as a "Broker" or "Dealer" under the Securities Exchange Act of 1934. Such activities may also trigger state registration requirements.

BUSINESS CONTINUITY PLAN: FINRA RULE 4370

Redbridge Securities LLC has developed a Business Continuity Plan on how the firm will respond to events that significantly disrupt the business. Since the timing and impact of disasters and disruptions is unpredictable, the firm will have to be flexible in responding to actual events as they occur. With that in mind, the firm is providing you with this information on the business continuity plan.

Contacting Us – If after a significant business disruption, you cannot contact us as you usually do through our website or through our mobile applications, you should contact us at 400-707-1292. If you cannot contact us at that number, please contact the clearing firm. Their contact information is Apex Clearing Corporation, 350 North St Paul Street, Suite 1300 Dallas, TX 75201. The main telephone number is 214-765-1001. You can also find helpful information about Apex Clearing Corporation’s Emergency Policies at <http://www.apexclearing.com/emergency/>.

The Business Continuity Plan – The firm plan is to quickly recover and resume business operations after a significant business disruption and respond by safeguarding the employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing the customers to transact business. In short, the business continuity plan is designed to permit the firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

The business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring the customers prompt access to their funds and securities if the firm is unable to continue the business.

Varying Disruptions – Significant business disruptions can vary in their scope, affecting only the firm, a single building housing the firm, the business district where the firm is located, the city where the firm are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only the firm or a building housing the firm, the firm will transfer the operations to a local site when needed and expect to recover and resume business within as soon as practical. In a disruption affecting the business district, city, or region, the firm will transfer the operations to a site outside of the affected area and recover and resume business within as soon as practical. In either situation, the firm plan to continue in business, transfer operations to the clearing firm if necessary, and notify you through the firm’s site to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, the firm will assure the customer’s prompt access to their funds and securities via the respective clearing firm.

For more information – If you have questions about the business continuity planning, you can contact us at +86-400-707-1292.

SEC RULE 606 AND 607

Disclosure of Payment for Order flow and Order Routing Information

Pursuant to SEC Rule 606, Redbridge is required to make publicly available a quarterly report with regard to its routing of non-directed orders. This information can be accessed on the internet at: <https://www.bbae.com/legal/rule-606-disclosure>.

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.”

Pursuant to SEC Rule 607, Redbridge is required to disclose its payment for Order Flow practices. Redbridge sends certain equity orders to exchanges, electronic communication networks, or broker-dealers during normal business hours and during extended trading sessions. Some of those market centers provide payments to Redbridge, or charge access fees depending upon the characteristics of the order and any subsequent execution. The details of these payments and fees are available upon written request. Redbridge receives payments for directing listed options order flow to certain option exchanges. Compensation is generally in the form of a per-option contract cash payment.

SEC RULE 10B-10

SEC Rule 10b-10 requires that you are provided with prior written notification if certain transactions are not reported immediately through a trade confirmation. You will not receive an immediate trade confirmation for automatic reinvestments of money market dividends if there are no other transactions in your brokerage account on the day the automatic reinvestment occurs. A summary of these transactions will instead be reported in your quarterly brokerage account statement.

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.

INVESTOR EDUCATION AND PROTECTION: FINRA RULE 2267

FINRA Rule 2267 requires Redbridge to provide information about FINRA's BrokerCheck program. An investor brochure that includes information describing the BrokerCheck program may be obtained from FINRA. The FINRA BrokerCheck hotline number is (800) 289-9999. The FINRA web site address is www.FINRA.org.

CARRYING AGREEMENT: FINRA RULE 4311

The firm with which you have opened your securities account has retained Apex to provide certain record keeping or operational services. These services such as the execution and settlement of securities transactions, custody of securities and cash balances, and extension of credit on margin transactions are provided under a Fully Disclosed Clearing Agreement between Apex and Redbridge. As a member of FINRA, Redbridge is required (under FINRA Rule 4311) to disclose to you the details of its Fully Disclosed Clearing Agreement with Apex, which are summarized below.

Responsibilities of Redbridge

Your financial organization has the responsibility to:

- Approve the opening of your account
- Obtain necessary documentation to help fight the funding of terrorism and money laundering activities
- Service and supervise your account through its own personnel in accordance with its own policies, procedures, applicable laws, and regulators
- Know you and your stated investment objectives
- Provide appropriate investment advice, recommendations, or management services based on your investment objectives
- Determine whether particular kinds of transactions such as margin, option, and short sale are appropriate for you
- Obtain the initial margin as required by Regulation T if a margin account is opened for you
- Accept and, in certain instances, execute securities orders
- Know the facts about any orders for the purpose or sales of securities in your account
- Comply with fair pricing and disclosure responsibilities
- (if your firm is a market maker in any securities or otherwise trades as principal with you)
- Correctly identify and promptly forward funds or securities intended for your account to Apex
- Supervise the activities of any individual who services your account, resolve any complaints regarding the handling of your account and manage the ongoing relationship that it has with you

Responsibilities of Apex Clearing Corporation

In general Apex is only responsible for the services within the scope of the Fully Disclosed Clearing Agreement that are provided at the request of Redbridge and contain specific direction regarding your account. As such, Apex may fulfill the following responsibilities on behalf of your account:

- Create computer based account records
- Process orders for the purchase, sale or transfer of securities (Apex is not obligated to accept orders directly from you and will do so only at Apex's discretion in exceptional circumstances)
- Receive and deliver funds and securities
- Record such receipts and deliveries according to information provided either by Redbridge or directly, in writing, by you
- Hold securities and cash in custody (after it comes into Apex's physical possession or control)
Collect and disburse dividends and interest
- Process reorganization and voting instructions with respect to securities held in custody
- Prepare and transmit confirmations of trades to you with the exception of the following transaction which will alternatively appear on account statements:
 - Systemic investments or withdrawals of investment company products
 - Transactions in money market funds that have no purchase or redemption fees
 - Dividend reinvestments
- Prepare and transmit periodic account statements summarizing transactions
- Provide Redbridge with written reports of all transactions processed for your account to enable your firm to carry out its responsibilities under the Fully Disclosed Clearing Agreement
- Assist Redbridge with any discrepancies or errors that may occur in the processing of transactions
- Loan you money for the purpose of purchasing or holding securities (subject to the terms of Apex's margin agreement, margin policies and applicable margin regulations)
- Calculate the amount of maintenance margin required and advise you of those requirements (usually through Redbridge)
- Calculate any interest charged on your debit balance

EXTENDED HOURS TRADING RISK DISCLOSURE: FINRA RULE 2265

Risk of Lower Liquidity

Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower levels of liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

Risk of Higher Volatility

Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater levels of volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not

at all, or you may receive an inferior price in extended hours trading to what you might receive during regular market hours.

Risk of Changing Prices

The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening of the next morning. As a result, you may receive an inferior price in extended hours trading to what you might receive during regular market hours.

Risk of Unlinked Markets

Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hour's system may not reflect the prices on other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price on one extended hours trading system than you might receive on another extended hours trading system.

Risk of News Announcements

Normally, issuers release news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

Risk of Wider Spreads

The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value ("IIV")

For certain Derivative Securities Products, an updated underlying index value, or IIV, may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions an investor who is unable to calculate implied values for certain Derivative Securities Products in those sessions may be at a disadvantage to market professionals.

CUSTOMER ACCOUNT INFORMATION: FINRA RULE 4512

Redbridge or an associated person of Redbridge is authorized to contact the trusted contact person designated by a customer and disclose information to the trusted contact person about the customer's account to address possible financial exploitation, to confirm the specifics of the customer's current

contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by FINRA Rule 2165.