Disclosures for Retail Placement Agency Clients

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AcreTrader Financial, LLC (“AcreTrader”) is providing this information to enhance the transparency of our relationship by disclosing conflicts of interest connected with the services we provide. These conflicts result from the practices of the financial services industry, AcreTrader’s business model and our compensation structure, including conflicts arising from the transaction-based commissions we receive from issuers.

This document alone is not a comprehensive description of all conflicts of interest AcreTrader has in its brokerage services. Similarly, not all of the conflicts we describe here will apply each time a recommendation is made or a service is provided. Regardless of the context, AcreTrader will observe high standards of honor and just and equitable principles of transaction when making recommendations or providing services to you.

This document also contains links to our website, where you can find descriptions of our services, investments, costs, and related conflicts. You should consider this document along with the Form CRS (“CRS”) you received separately, additional written investment and account specific disclosures, and verbal disclosures made by a Financial Professional when evaluating recommendations a Financial Professional makes to you. AcreTrader encourages you to go to Investor.gov/CRS to access free and simple tools to research firms and financial professionals, such as AcreTrader and our Financial Professionals, and access educational materials about broker-dealers, investment advisers and investing. Layered together, these disclosures provide a full and fair description of all material facts and an explanation of our duty to make recommendations to you that are in your best interest.

When AcreTrader acts as a broker-dealer, we are subject to a number of laws, rules and regulations, including the Securities Exchange Act of 1934 (the “Exchange Act”), the rules of the Securities and Exchange Commission (“SEC”), the rules of the Financial Industry Regulatory Authority (“FINRA”), and state laws. We are required to act in your best interest and observe high standards of honor and just and equitable principles of transaction. AcreTrader’s duties to you include, among others, the following Disclosure Obligations:

Make full and fair disclosure to you, prior to or at the time of a recommendation, of all material facts relating to:

- The scope and terms of our relationship.
- The costs that apply to your transactions, holdings, and accounts.
- Any limitations on the recommendations a Financial Professional makes to you.
- Conflicts of interest associated with any recommendations, such as those related to compensation arrangements.

When AcreTrader acts as a broker-dealer, AcreTrader also has Care Obligations requiring us to exercise reasonable care and skill to:

- Understand the potential risks, rewards, and costs associated with a recommendation, and have a reasonable basis to believe that a recommendation could be in the best interest of a customer generally, even if it may not necessarily be appropriate for you in particular.
- Have a reasonable basis to believe that the recommendation is in your particular best interest based on your investment profile and that the potential risks, rewards, and costs associated with the recommendation do not place the financial or other interest of AcreTrader ahead of yours. Your investment profile includes your age, other investments, financial situation and needs, tax
status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance and any other information that you may disclose to the Financial Professional in connection with the recommendation.

- Have a reasonable basis to believe that a series of recommended transactions, even if in your best interest when viewed in isolation, are not excessive, are in your best interest when taken together in light of your investment profile, and do not place AcreTrader’s interests ahead of yours.

When AcreTrader acts as a broker-dealer we have the following Conflict of Interest Obligation, requiring AcreTrader to establish, maintain and enforce written policies and procedures designed to:

- Identify and, at a minimum, disclose all conflicts of interest associated with recommendations to you.
- Where a conflict of interest creates an incentive for either a Financial Professional or AcreTrader to make a recommendation that places AcreTrader’s interest ahead of yours, AcreTrader has created policies and procedures designed to disclose and mitigate the conflict.
- Identify and disclose any material limitations that apply to recommendations to you, such as what investments a Financial Professional may be licensed for, and prevent those limitations from causing them to make recommendations that place their interest or AcreTrader’s ahead of yours.
- Identify and eliminate any sales contests, quotas, bonuses, and non-cash compensation that are based on the recommendation of specific securities or specific types of securities within a limited period of time.

I. INTRODUCTION TO ACRETRADER

The strength of the relationships we form with you is the measure of our success and is how we differentiate ourselves from our competition. We trust that you will have a long and successful relationship with AcreTrader, and we welcome the opportunity to serve you.

Our Business Philosophy and Approach

We seek to provide investors with an accessible and transparent private securities marketplace. Through our Platform, we seek to make it easier to transact in private investments, specifically in farmland, timberland, and other types of land.

We offer limited brokerage services primarily private placements of securities through our online platform (the “Platform”). We recommend private investment (“Investment”) interests to accredited and institutional investors (“Investors”). We also act as private placement agent for issuers in direct private company securities offerings to Investors.

Before we recommend that you invest in private markets in a private a placement on the AcreTrader Platform, we will collect information about you, including your age, other investments, financial situation and needs, investment objectives, experience and time horizon, liquidity need, risk tolerance, and other information we think is relevant. Any recommendations we make to you will be on the basis of the information you provide and our assessment of the investment or service’s potential risks, rewards, and costs. If you would like to know why we made a particular recommendation to you, contact a Financial Professional. Information about the investment objectives and risk tolerances we use in profiling investors is included in your customer agreement. In making our assessments, we generally rely on the offering materials accompanying investment products.

To assist AcreTrader in making recommendations that meet your needs, it is your responsibility to provide accurate, timely information about your age, other investments, financial situation and needs, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information you think is important for us to know about you. If your circumstances change, for example, as you get older or your employment or financial conditions change, you should update your information.
in the Platform promptly. Additionally, AcreTrader re-confirms such information on at least an annual basis.

II. UNDERSTANDING THE CAPACITY OF THE FIRM

AcreTrader is registered with the SEC as a broker-dealer under the Exchange Act. AcreTrader offers limited brokerage services, namely private placement services.

Brokerage services are separate and distinct from advisory services. Brokerage and advisory services are governed by different laws and regulations and have different costs, levels of service, and expenses. They are designed to address different investment needs, and certain brokerage and advisory services may not be appropriate for you.

Before opening an account, you should carefully consider, in light of your particular circumstances, the services, risks, and expenses associated with the brokerage services provided by AcreTrader.

Brokerage Services

AcreTrader recommends private placement investment (“Investment”) interests to accredited and institutional investors. In addition to brokering such transactions on behalf of the issuers of such securities, AcreTrader may also provide investment advice incidental to these brokerage services. Investment advice considered incidental to brokerage services may include investor education, investment research, financial tools and information about investments and services. You should also understand that any incidental investment advice offered by AcreTrader or an AcreTrader Financial Professional with respect to a brokerage account is not provided as part of any financial plan or in connection with any financial planning services.

When you purchase securities by completing a subscription agreement on the Platform, AcreTrader will act as a placement agent.

AcreTrader will provide you with a confirmation following the execution of your subscription documents to the extent required. A confirmation is a written record of the transaction that provides important information about the transaction including the date, quantity, price, and net amount of transaction. This information will be visible in your dashboard when logged into your profile on the Platform.

AcreTrader does not make investment decisions for your brokerage accounts or manage them on a discretionary basis. AcreTrader does not open any accounts, nor does it take custody of any customer funds or securities.

When acting as placement agent, AcreTrader will be paid by the issuer based upon your purchases of investments. Therefore, the revenue of both the Firm and a Financial Professional will vary by investment and over time. As a result, AcreTrader and its Financial Professionals have a financial incentive to recommend certain investments based upon the payment received.

What is AcreTrader’s Role for Retirement and Other Qualified Accounts?

When it comes to retirement and other qualified accounts including IRAs, 401(k) plans, HSAs, and educational savings accounts, and other similar accounts, fiduciary status is highly technical and dependent on the service you choose. The retirement laws (the Employment Retirement Income Security Act of 1974, as amended (“ERISA”) and the Internal Revenue Code) limit the types of products and services we can offer and provide when we agree to act as a fiduciary to your retirement or other qualified account. Unless we agree in writing, we do not act as a “fiduciary” under the retirement laws when we provide non-discretionary investment recommendations to you, including when we have a “best interest” or “fiduciary” obligation under other federal or state laws.
Our Role and Fiduciary Acknowledgment for Retirement Accounts

AcreTrader, (hereinafter, “AcreTrader” or “we”), is providing you with the following acknowledgment for purposes of complying with the US Department of Labor’s (“DOL”) Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”), where applicable. This acknowledgment will be effective when we begin relying on PTE 2020-02, which will be on January 13, 2023 or, if later, the date that the DOL Field Assistance Bulletin 2021-02 (or subsequent similar guidance) ceases to be in effect. [1]

This acknowledgment applies when AcreTrader or one of its representatives provides investment advice or recommendations to you regarding retirement and other tax-qualified accounts (including workplace retirement plans, IRAs, SEPs, SIMPLE IRAs, educational savings accounts, and other similar accounts), which for purposes of this acknowledgement will all be called “Retirement Accounts.”

Fiduciary Acknowledgment. When we provide investment advice to you regarding your Retirement Accounts, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing Retirement Accounts. The way we make money creates certain conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule’s provisions, when providing certain investment recommendations, we must also:

- Meet a professional standard of care (give prudent advice);
- Not put our financial interests ahead of yours (give loyal advice);
- Avoid misleading statements about our conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our advice and services; and
- Give you basic information about our conflicts of interest.

Limitations to our Acknowledgement of Fiduciary Status. This fiduciary acknowledgment does not create an ongoing duty to monitor your accounts or create or modify a contractual obligation or fiduciary status under state or federal laws other than the retirement laws.

This disclosure is provided to comply with the DOL’s PTE 2020-02. If there is a conflict between this disclosure and your AcreTrader account agreement, this disclosure will govern.

Not all services or activities that we provide to your Retirement Accounts constitute fiduciary investment advice subject to the provisions above. As examples, we are not fiduciaries under the retirement laws when we provide:

- General information and education about the financial markets, asset allocations, financial planning illustrations and the advantages and risks of particular investments;
- General information and education about issues and options that should be considered when deciding whether to rollover or transfer Retirement Account assets to us;
- Recommendations about investments held in accounts that are not Retirement Accounts (i.e., taxable accounts);
- Recommendations that you choose to execute at another financial institution other than for assets for which we act as broker of record;
- Transactions or trades you execute without a recommendation from us (e.g., unsolicited trades), or that are contrary to, or inconsistent with, our recommendation; and
- Recommendations that do not meet the definition of fiduciary “investment advice” in Department of Labor regulation section 2510.3-21. For your information, fiduciary investment advice means investment advice for a fee or other compensation rendered on a regular basis pursuant to a
mutual understanding that such advice will serve as a primary basis for your investment decision, and that will be individualized to the particular needs of your IRA or plan account.

III. UNDERSTANDING THE SERVICES PROVIDED BY THE FIRM

Are There any Material Limitations on the Securities or Investment Strategies that AcreTrader Recommends?

AcreTrader is licensed to offer you securities issued pursuant to private placements. The specific investment recommendations we make are based on your investor profile and accreditation status.

There are certain limitations on the investments that the Firm deems to be unsuitable or not aligned with the best interest standard, therefore AcreTrader will not recommend them to you. We offer brokerage services primarily through our online Platform. We broker private investment interests to accredited investors (“Investors”) We also act as placement agent for issuers in direct private company securities offerings to Investors.

We are not restricted to offering you proprietary investments. AcreTrader does not impose an account minimum specifically, however, each offering will have unique investment minimums. You may pay additional fees imposed by the issuer, such as legal opinions, closing costs, transfer fees, or escrow. You will pay fees and costs to AcreTrader’s affiliates whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Will AcreTrader Monitor Your Investments?

Any recommendation made by AcreTrader via the Platform is offered in your best interest based on your investment profile and the information reasonably available at the time the recommendation is made. AcreTrader does not provide ongoing monitoring services with respect to your investments.

When Will AcreTrader Make Additional Written or Verbal Disclosures?

AcreTrader may provide more specific information regarding material facts under certain circumstances, and such disclosures will vary by investment. For example, an initial standardized disclosure of investment costs will be provided which explains that additional details appear in each investment’s offering page on the Platform.

Who Do These Disclosures Apply to?

Under SEC Regulations, when we recommend a security or an investment strategy involving a security as a broker-dealer to a “retail customer,” we must act in your best interest at the time the recommendation is made, without placing our financial or other interest ahead of your interest. You are a retail customer under Regulation Best Interest if you are a natural person or a legal representative of a natural person who receives and uses a securities recommendation primarily for personal, family or household purposes.

Regulation Best Interest does not apply to activities and services we provide other than securities recommendations to retail customers, such as marketing communications, transaction execution, educational materials, statements of philosophy and investment principles, descriptions of providing margin, delivering statements and other communications that are not particularized to you, or services that are provided to someone other than a retail customer. You are not a retail customer if you are acting in a professional, corporate, or in certain circumstances a fiduciary capacity to an employer sponsored employee benefit plan.

Please see the section herein titled “Our Role and Fiduciary Acknowledgement for Retirement Accounts” for additional considerations if you are a client with retirement and/or other tax-qualified accounts.
IV. WHAT INVESTMENTS DOES ACRETRADER OFFER?

AcreTrader can recommend private investment interests (private company securities such as preferred or common stock, structured investments, and memberships in both affiliated and non-affiliated investments). You should consider the disclosures below and always review the offering documents, such as prospectus or contract, associated with the specific investment you are considering to understand and evaluate the risks before investing.

When you purchase an investment that is subject to price fluctuation its performance cannot be guaranteed and you may lose money. Past performance is not a reliable indicator of future performance but may help you evaluate an investment’s volatility over time.

V. WHAT ADDITIONAL CONFLICTS DO ACRETRADER OR A FINANCIAL ADVISOR HAVE?

Below is a description of additional conflicts of interest, in addition to those found above or in our Form CRS, which exist when AcreTrader has a financial interest or incentive that could affect our investment advice to you. These conflicts are typical to our industry as a whole and AcreTrader has adopted policies and procedures and is required to comply with applicable laws and regulations which mitigate these conflicts of interest. AcreTrader may have conflicts of interest beyond those disclosed here.

Recommendations regarding investments in Investments: The way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services we provide you. Here are some examples to help you understand what this means:

Since we offer placement in investments managed by our affiliate exempt reporting adviser, we benefit financially from this placement even though we do not directly charge you fees for brokerage services, such as account opening or placement agency services. Additionally, farm managers and other third parties are often affiliated companies that are paid for non-securities related fees out of the revenues collected from the issuer's tenants, which poses a similar conflict. AcreTrader has a contractual obligation to any issuers whom it represents in a private placement to help the issuer sell securities to raise equity and is compensated with success fees by each such issuer to sell those shares to investors. Therefore, AcreTrader is not completely independent from the issuer and may have a conflict of interest with investors/customers. Affiliates of AcreTrader who are compensated for management services provided to the issuers may also have a conflict of interest with the investor/companies in that if investors buy the Shares, the Affiliates will receive management services compensation annually in connection with managing the property owned by the issuer.

An affiliate of AcreTrader, Acretrader Management, LLC (“ATM”), an SEC registered exempt reporting adviser, will serve as Manager for the SPVs of our affiliated offerings. This means that AcreTrader and its affiliates face conflicts of interest, including those that result from compensation arrangements and allocations of business opportunities. Each affiliated SPV will compensate ATM and other affiliates for services provided and may compensate these parties when certain operational and performance thresholds are met. Certain management fees will be paid by investors even if they lose money in the investment. ATM and other affiliates of AcreTrader may co-invest in the Company.

When we act as placement agent for issuers in direct private company securities offerings to Investors, we are paid a cash fee, typically based on successfully placing a certain amount of securities, which incentivizes us to offer these securities.

Cash Compensation: We pay our financial professionals a salary and they also receive stock options in the parent company (AcreTrader, Inc.). Licensed representatives may also receive additional transaction based compensation in certain circumstances which result in new client business. This compensation incentivizes such representatives to make investment recommendations to new clients. We may also pay discretionary bonuses based on their individual job performance and the performance of AcreTrader and
its affiliates. The discretionary bonus, if paid, will vary based on factors such as the volume of transactions brokered; revenue the firm earns from the transaction; the time and complexity required to meet a client’s needs; the products sold (i.e., differential compensation); and the amount of product sales commissions we earn.

**Non-Cash Compensation:** AcreTrader and its Financial Professionals also receive non-cash compensation and other benefits from companies that provide investments for AcreTrader Financial Professionals to recommend to clients on our platform. Such non-cash compensation includes promotional gifts (e.g., coffee mugs, logoed shirts or gift baskets), invitations to attend conferences or educational seminars sponsored by product sponsors and providers, which include payment of related entertainment, travel, lodging and meal expenses.

**Transaction Fees:** We receive transaction-related fees directly from issuers, as discussed herein.

**VI. WHAT COSTS WILL YOU PAY?**

Your costs depend on what investments you choose. No matter which investment you select, or whether you make or lose money, you will have expenses that reduce any amount of money you make on your investments over time. Please make sure you understand the expenses you are paying.

For detailed information please refer to the descriptions of investments offered by AcreTrader above and consult the relevant offering documents and descriptions on the Platform.

**VII. ADDITIONAL INFORMATION**

This document is current as of the date on its cover. If we make changes that would require us to send you updated disclosures, we will send them to you by mail or electronically consistent with your elections and the SEC’s requirements. We will amend this document from time to time and you will be bound by the amended disclosures if you continue to accept our services after we deliver the amended disclosures to you.

To request up-to-date information please visit www.AcreTrader.com. If you would like additional information or a copy of this form, please call 888-958-1470 or email info@acretrader.com.