



Forge Securities LLC Guide to Brokerage Services: Regulation Best Interest Disclosures

I. Introduction

Forge Securities LLC (“Forge”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer. Forge is also a member of the Financial Industry Regulatory Authority (“FINRA”). This guide provides important information about the brokerage products and services we offer.

II. Information About the Brokerage Accounts We Offer: Material Facts Relating to Our Relationship with You

We offer brokerage services primarily through our online trading and information platform (the “Platform”). We broker private fund (“Fund”) interests to accredited and institutional investors (“Investors”) and also broker sales of private company securities (i.e., unregistered non-public company securities) held by shareholder customers (“Shareholders” and collectively with Investors, “you” or “your”) to the Fund as well as to other Investors.

We act as agent in buying or selling private company securities, which include preferred and common stock and membership interests in affiliated and unaffiliated Fund interests. We also act as placement agent for issuers in direct private company securities offerings to Investors.

Shareholder customers who seek to sell their private company shares may post indications of interest on our Platform and we will facilitate the sale of their shares, subject to any company restrictions. We also offer certain private company securities to Investor customers based on their investment profile and other indications of interest. Forge does not monitor customer investments or maintain investment discretion. Our brokerage services are “non-discretionary,” meaning that you make the ultimate decision to buy or sell a security, because we do not have discretionary authority to do so on your behalf.

For additional information regarding our services, please visit www.forgeglobal.com and <https://forgeglobal.com/faqs/>.

A. Limitations on the Products and Services We Offer

Our standard minimum transaction size is \$100,000 USD; however, we may in our sole discretion allow you to buy or sell an amount less than the minimum (e.g., when an issuer allows smaller trade amounts or to receive a partial execution of a larger order). You must be, at minimum, an “accredited investor” to purchase private company securities. There is no accreditation requirement if you are selling private company securities.

We offer recommendations regarding a limited number of private company securities and private fund interests that provide exposure to private company securities. We provide these services based on Indications of Interest (“IOIs”) submitted by current shareholders on our Platform to sell their interests. Please be aware that we will only provide brokerage services to persons eligible to invest in private securities transactions under available exemptions from registration under the Securities Act of 1933 (e.g., Section 506, Section 4(a)(7), etc.). For persons interested in *purchasing* private company securities, this means that we only sell or provide recommendations to you if you who meet the definition of “accredited investor.” For individuals, this means that you are generally required to have a net worth of \$1 million, excluding your primary residence. *Sellers* need not meet the definition of accredited investor, but as noted, we will generally only provide brokerage services for transactions of \$100,000 or more.

B. Standard of Conduct

Forge provides brokerage services to you. When Forge and its registered personnel make recommendations to you in a brokerage capacity, we evaluate your needs based on the information you provide to us and recommend products that we

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reasonably believe are in your best interest based on the information you provide to us. Once an initial recommendation is made, neither Forge nor its representatives monitor your investment on an ongoing basis.

You should be aware of key differences between broker-dealer and investment adviser standards of conduct. For example, investment advisers are subject to a fiduciary duty and are generally obligated to provide ongoing advice and monitoring, while broker-dealers are subject to no such duty under federal securities laws. Instead, broker-dealers must act in your best interest at the time a recommendation is made under the SEC's Regulation Best Interest ("Reg BI"), and are not required to monitor your account or transactions on an ongoing basis unless they have voluntarily agreed to do so. As described above, Forge does not provide ongoing monitoring of brokerage accounts.

When our representatives provide recommendations of securities or investment strategies involving securities, they are acting in the capacity as a broker-dealer with regard to the recommendation and are subject to Reg BI.

C. Basis for Recommendations

Our representatives may recommend you purchase or sell securities. Representatives use a variety of factors in assessing what products or services are in your best interest such as your age, other investments, financial situation and needs, tax status, investment objective(s), investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information you provide your representative regarding your specific circumstances.

It is your responsibility to provide your representative with complete and current information regarding your personal and financial situation.

D. Fees and Costs

Forge does not maintain customer accounts or assess ongoing account-level fees. Accordingly, there are no account minimums, although there is generally a \$100,000 minimum transaction requirement, as noted above.

Principal Fees and Costs. You will pay us a fee every time you buy or sell a private company security. This fee, commonly referred to as a commission, is based on the value of the securities traded. Typically, our commission is 5%, but you may pay more or less under certain circumstances. For example, you may pay a higher commission if the total value of the transaction is less than our minimum transaction amount of \$100,000. Given that our business generates revenue through transaction based fees, we are incentivized to facilitate transactions.

Other Fees and Costs. You may pay additional fees imposed by the issuer, such as legal opinions, transfer fees, or escrow. These fees will be detailed in the relevant offering documents that are provided to you when you purchase shares in a private company.

You will pay fees and costs 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. If you transact through a Fund, a setup fee, management fees, and performance fees payable to our affiliate Forge Global Advisors LLC may also apply. Please make sure you understand what fees and costs you are paying by referring to the relevant offering documents.

For additional information regarding our fees and costs, please visit <https://forgeglobal.com/faqs/>.

III. Risks Relating to Private Company Stock Recommendations

While we will take care in developing and making recommendations to you, securities and investment products involve risks, and you may lose money. There is no guarantee that you will meet your investment goals, or that any recommendation will perform as anticipated. Please consult all offering documents for any security we recommend for a discussion of risks associated with the product.

Stocks represent an ownership interest in a company. When you own a company's stock, you have an equity interest in the company. You should be aware that investments in private, unregistered securities involve a high level of risk and may not be suitable for all investors. An investment in private company securities is highly speculative and should only be considered a long-term investment. Before deciding to invest, you should carefully consider your investment objectives, level of experience and risk appetite. You must be prepared to withstand a total loss of your investment. Private company securities are also highly illiquid and there is no guarantee that a market will develop for such securities. There is also no guarantee that any private placement will be publicly listed through a direct listing or initial public offering. You should be aware that each investment also carries its own specific individual risks and that you should complete your own independent due diligence regarding the investment including obtaining additional information, opinions, financial projections, and legal or other investment advice.

IV. Conflicts of Interest

We have identified certain conflicts of interest (conflicts) that relate to the recommendations we and our representatives may make. A conflict arises when an economic benefit incentivizes either us or a representative to put our interests and/or the interests of the representative ahead of the interests of a retail customer. Some of these conflicts exist between retail customers and both our firm and financial advisors, while others exist between retail customers and our firm alone or between retail customers and representatives alone.

A. Firm-Level Conflicts

- As stated above, we earn a fee based on the amount of securities transactions effected. You will pay a transaction charge each time you buy or sell a security. The more securities you purchase, the more you will be charged (and the more revenue Forge earns), so it benefits us to recommend or encourage that you purchase larger positions of private companies and engage in more than one transaction.
- We receive transaction fees from our affiliate, EQUIAM LLC ("EQUIAM"), an investment management firm, and, as a minority owner in EQUIAM, receive an indirect benefit from the fees it generates from assets it holds. Therefore, we are incentivized to recommend or encourage transactions related to EQUIAM (i.e., EQUIAM Funds).
- We may facilitate transactions between a Shareholder and a Fund for whom one or our affiliates serves as investment adviser. Therefore, we are incentivized to recommend or encourage transactions related to funds for which our affiliate serves as an adviser.
- We sometimes act as placement agent for issuers in direct private company securities offerings to Investors. In these situations, we are paid a cash fee, typically based on successfully placing a certain amount of securities, which incentivizes us to offer or recommend these securities.
- We may share fees with or receive fees from third-party referral sources or destinations such as other broker-dealers or foreign finders. Therefore, it benefits us to recommend or encourage transactions where we will receive a referral fee.

B. Representative-Level Conflicts

Conflicts between retail customers and our representatives may be caused by a variety of arrangements, including compensation arrangements. Forge compensates its representatives through an annual base salary and a bonus that is based on their annual productivity and paid quarterly. Productivity is based on the amount of commissions or fees that we generate (described above) and that are attributable to the financial professional. Specifically, financial professionals are compensated based on sales commission and revenue we earn from transactions and recommendations attributable to the financial professional. Accordingly, financial professionals have an incentive to recommend or encourage you to trade with us because the more you do so, the greater their bonus. Financial Professionals may also be eligible to receive referral payments for the referral of customers of Forge Securities LLC to its affiliate Forge Data LLC for the sale of their data products.