Margin Disclosure Statement

March 2024

M1 Finance LLC (“We”, “Us”, “Our”, “M1”, “Firm”) is furnishing this document to the Account Holder (“You”, “Your”, “Client”, “Customer”) to provide some basic facts about purchasing securities on margin, and to alert You to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, You should carefully review the margin agreement provided at account opening. Consult Us at help@m1.com 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 in some circumstances You may borrow part of the purchase price from M1 via a margin loan. If You choose to borrow funds, You will open a margin account with M1. 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, M1 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 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 regulatory requirements, applicable rules, securities laws, or the “Firm’s house” requirements, the Firm can sell the securities in your account to cover the margin deficiency. You will also be responsible for any shortfall in the account after such a sale.
• The Firm can sell Your securities without contacting You. Where possible M1 will attempt to notify You of margin calls but are under no obligation to do so. In the event M1 has contacted a Customer and provided a specific date by which the Customer can meet a margin call, M1 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 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.

Credit Terms & Policies

The following Disclosure of Credit Terms and Policies is required by the Securities and Exchange Commission and is part of Your M1 Finance LLC Customer Account Agreement. It describes the terms under which Apex extends credit and charges interest and how Your obligations are secured by property in Your Account.

Interest Charges. We charge interest on a daily basis on the credit we extend to You. The rate of interest charged is tied to the Fed Fund Rate and can be found here https://www.m1finance.com/how-it-works/borrow/ .The daily interest accruals are calculated by multiplying Your "daily debit balance" by the "daily margin interest rate."

Your daily debit balance is calculated each day by adjusting Your previous day's balance by any debits and credits to Your account. If Your daily debit balance is reduced because You deposit a check or other item that is later returned to Us unpaid, Your account may be adjusted to reflect interest charges You have incurred.

M1 reserves the right to charge interest on debit balances in a Cash Account. Periodically, M1 will send You a comprehensive statement showing the activity in Your account, including applicable interest charges, interest rates and daily debit balances.

Daily Margin Interest Rate. The "daily margin interest rate" is based on a 360-day year. It is calculated for each day by dividing the base margin interest rate by 360. Note that the use of a 360-day year results in a higher effective rate of interest than if a year of 365 days were used.

The applicable margin interest rate is the rate for all daily adjusted debit balances as communicated above. Your margin interest rate will be adjusted automatically and without notice You.

Compounding Interest Charges. Interest compounds on a monthly basis. Interest charges will accrue to Your account each month. M1 will include the charges in the next day's opening debit balance. The interest rates described above do not reflect compounding of unpaid interest charges; the effective interest rate, taking into effect such compounding, will be higher.

Initial Margin Requirements. The Federal Reserve Board and various stock exchanges determine margin loan rules and regulations. When You purchase securities on margin, You agree to deposit the required initial equity by the settlement date and to maintain Your equity at the required levels. The maximum amount M1 currently may loan for common stock (equity) securities is fifty percent (50%) of the value of marginable securities purchased in Your Margin Account. If the market value of stock held as collateral increases after You have met the initial margin requirements, Your available credit may increase proportionately. Conversely, if the market value decreases, Your available credit may proportionately decrease.

Initial margin requirements may change without prior notice. We may impose anytime and without prior notice more stringent requirements on positions that in its sole discretion involve higher levels of risk; for example, higher limits may apply for thinly traded, speculative or volatile securities, or concentrated positions of securities.

You may purchase only certain securities on margin or use them as collateral in Your Margin Account. Most stocks traded on national securities exchanges, and some over-the-counter (OTC) securities may be marginable. At Our discretion, M1 reserves the right not to extend credit on any security.

Margin Maintenance Requirements. You must maintain a minimum amount of equity in Your account to collateralize Your outstanding loans and other obligations. Margin maintenance requirements are set:
• By the rules and regulations regulatory agencies or exchanges to the jurisdiction of which we are subject; and
• According to Our sole discretion and judgement.

You agree to maintain in Your Margin Account collateral of the type and amount required by:
• Applicable exchange rules and federal regulations; and
• Our Agreements and Disclosures; or
• As required by M1, at its discretion.

Margin maintenance requirements may change without prior notice.
We may issue a "margin call" (that is, a notification to deposit additional collateral) if Your account equity falls below the margin maintenance requirement. This can happen for various reasons. The most common reasons are a decrease in the value of long securities held as collateral.

As a general guideline and when it is practicable to do so, M1 may (but is not required to) issue a margin call when the equity in Your Margin Account falls below a predetermined percentage of the market value of assets at risk (that is, the market value of the long equity security positions) in Your Margin Account. The amount of additional collateral We require usually is an amount sufficient to raise Your equity to minimum standards. For information on the current equity requirements, please contact Us at help@m1.com.

We retain absolute discretion to determine whether, when and in what amounts We will require additional collateral. In some situations, M1 may find it necessary to require a higher level of equity in Your account. For example,M1 may require additional collateral if an account contains:
• Only one security or a large concentration of one or more securities; or
• Low-priced, thinly traded or volatile securities; or if
• Some of Your collateral is or becomes restricted or non-negotiable or non-marginable.