

## FAQ on F Shares

### What is an F share?

While some US investors can trade directly in a foreign company's local market, many US investors prefer to see quotes in US dollars during their regular trading hours. To provide this access and to facilitate trade reporting, broker-dealers create trading symbols, or tickers, of foreign securities in the US. These tickers are 5 letters long and end with the letter "F". As such, they are traditionally called F shares. More than 2,000 companies with primary listings on more than 30 global markets, such as London, Frankfurt, Paris, Madrid, Milan, Toronto and Tokyo, have an F share on OTC Markets.

### Why does a company have an F share?

The creation of an F share indicates that US broker-dealers and investors are interested in trading a company's shares. An F share is established in the US when a broker-dealer files with FINRA to create a US ticker symbol in order to facilitate reporting trades in the US in the company's security. While the company may not have been involved in this process, the creation of an F share indicates that there is already demand for the shares and is valuable to facilitating global liquidity.

### How is an F share traded?

US broker-dealers continuously price F shares in accordance with local market share price movements and available liquidity. While trades are executed in US dollars by US broker-dealers, the shares are settled, cleared and custodied in the local market or, under certain conditions, in the U.S. (Canadian or DTC eligible F Shares). As such, trading of an F share in the US increases the overall global liquidity for the company's shares.

### What does an F share mean for US investors?

When a US investor researches and trades a non-US security, it is frequently through the F share ticker as US brokerage accounts often only display US ticker symbols.

From the perspective of an investor, trading an F share is similar to trading a US security. US investors can trade in US dollars during US trading hours through the retail, online or institutional broker-dealer of their choice.

### How are investors that trade through the F share recorded on Shareholder Lists?

US investors that purchase the F share appear on the company's shareholder list based on the local disclosure requirements in the same manner as an investor that purchases shares in the home market.

### How can a company improve the visibility and liquidity of its F share?

While a company may make high quality disclosure available through its home country exchange, its prestige, company news and financials do not automatically flow to US investors. Companies must take steps to ensure that their overseas financials are available to key audiences in the US or that company news is available in places where investors conduct research.