Ally Invest Advisors

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Firm Brochure
Form ADV Part 2A

March 31, 2025

This brochure provides information about the qualifications and business practices of Ally Invest Advisors Inc. ("AIA"). If you have any questions about the contents of this brochure, please contact our Compliance Department at (855) 880-2559. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about AIA also is available on the SEC's website at www.adviserinfo.sec.gov.

AIA is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended. However, such registration does not imply a certain level of skill or training, nor does it constitute an endorsement by the SEC.

Throughout this document, AIA is also referred to as the "Firm," "we," or "us." The term "Client" refers to a person with whom AIA has established an advisory relationship.

Item 2 – Material Changes

This section highlights the revisions made since the last annual amendment dated January 31, 2024:

Item 4 – Advisory Business

- AIA is testing two additional features with a select population of existing Robo Portfolios Clients.

Item 7 – Types of Clients

- We lowered the minimum initial amount to implement a Personal Advice or Guide Advice account from $5,000 to $1,000.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

- We enhanced the *Risk Considerations* content related to:
  - Actively managed ETFs, noting that they typically have higher fees and less transparency with respect to holdings;
  - Tax-loss harvesting, wash sales, and the use of alternate securities, including a clarification that Personal Advice and Guided Advice accounts may be invested in alternate securities to avoid wash sales;
  - Cybersecurity risk, noting that client accounts are subject to certain risk through cybersecurity incidents;
  - Foreign and emerging market risks, explaining the risks not typically associated with domestic investments;
  - Retirement account rollovers, noting that AIA does not make rollover recommendations; and
  - Legislative and regulatory risk, describing the risks affected by government legislation and regulation.

Item 13 – Review of Accounts

- We updated the annual review process for Personal Advice Clients. Whereas previously, each Client's Financial Advisor would offer an annual meeting, Clients will now receive a letter from AIA on an annual basis and be invited to schedule a meeting with the Client's Financial Advisor.

For future filings, this section of the brochure may address only those material changes that have occurred since AIA's last annual update. AIA may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure as well as an offer to send an electronic or hard copy form of the updated brochure. You can download this brochure from the SEC's website at www.adviserinfo.sec.gov or contact AIA by phone at (855) 880-2559 or email support@invest.ally.com to request a copy.

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Form ADV Part 2A

Item 4 – Advisory Business

Description of Our Firm

Based in Charlotte, North Carolina, AIA is a Delaware corporation. We were originally formed as One Market Advisors, LLC in September 2012. AIA is wholly owned by Ally Invest Group Inc. ("Ally Invest Group"), which is wholly owned by Ally Financial Inc. Ally Financial (NYSE: ALLY) is a leading digital financial services company with a legacy that dates back to 1919.

As of December 31, 2024, we had approximately $1,389,600,000 of reportable Client assets under management through discretionary account agreements.

Description of Services Offered

Our primary focus is to provide discretionary advisory services to Clients. Prospective Clients wishing to engage our services must first enter into a written agreement with us. We normally provide two types of advisory services: (i) Robo Portfolios; and (ii) Personal Advice. We are currently testing a third service, Invest Simply, with a select group of Clients. We refer to Robo Portfolios and Invest Simply collectively as "Automated Investing."

Our advisory services provide you with the opportunity to obtain professional portfolio management for an inclusive fee that is based upon your assets under our management. This means you are free to add or withdraw money from your account whenever you choose, with no additional fees.

Robo Portfolios

Robo Portfolios are provided online. We do this exclusively through web-based solutions and informational resources and virtual interaction. The Robo Portfolios advisory service delivers discretionary portfolio management services through investment portfolios made up of exchange-traded funds ("ETFs"). Each portfolio is designed to provide Clients with an efficient way to invest in the capital markets based on each Client's individual investment time frame, risk tolerance, and liquid net worth. The portfolios are designed for long-term (i.e., one year or more) investing. To get started, we ask prospective Clients to respond to a sequence of interactive questions that are important to the development of their portfolios, such as their investment time horizon, financial goals and objectives, and net worth. We also inquire into their tolerance or appetite for risk.

In addition, we ask the Client to select either the Cash-Enhanced version with no advisory fee or the Market-Focused version with a lower cash allocation and an annual advisory fee, as described more fully below. Investors can further select from Core, Income, Socially Responsible, or Tax-Optimized models:

- The Core portfolio models track major asset benchmarks and are diversified among domestic equity, international equity, domestic fixed income and international fixed income ETFs. There are five risk models: Conservative, Moderate, Moderate Growth, Growth and Aggressive Growth.
- The Socially Responsible portfolio models are similar to the Core portfolio models, but the equity allocation utilizes ETFs that seek to track benchmarks with a greater weighting towards companies identified by the benchmark provider(s) as having positive environmental, social, and governance characteristics.
- The Tax-Optimized portfolio models are similar to the Core portfolio models but incorporate ETFs with municipal bond exposure to help enhance the after-tax yield. This portfolio type offers higher dividend yields while maintaining a more conservative risk profile.
- The Income portfolio model is designed to be a lower-risk approach to help investors who may want supplemental income for retirement or other purposes. The model seeks safety and

returns covering increasing investment value. The model offers higher dividend yields while maintaining a more conservative risk profile.

Following responses to a series of online multiple-choice questions, prospective Clients receive a recommended investment allocation comprised of ETFs believed to be appropriate for their situation. The recommendation is delivered for viewing over the Internet via our website.

In the Cash-Enhanced Robo Portfolios, each portfolio typically consists of less than ten ETFs and approximately 30% of the portfolio is allocated to cash. The Cash-Enhanced Robo Portfolios are not subject to an advisory fee.

Clients also have the ability to select the more fully invested Market-Focused Robo Portfolios, which offer the Core, Income, Socially Responsible and Tax-Optimized models. These models are similar to their Cash-Enhanced Robo Portfolios counterparts but with a lower cash allocation of approximately 2%. Ally Invest charges an advisory fee on the Market-Focused Robo Portfolios.

To become a Robo Portfolios Client, you must access our secure website, where you will be offered our current Firm Brochure, which describes our advisory firm, its services, potential fees, etc., as well as any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice.

Invest Simply

Invest Simply portfolios are provided online to a select population of Clients. We do this exclusively through web-based solutions and informational resources and virtual interaction. The Invest Simply advisory service delivers discretionary portfolio management services through investment portfolios made up of ETFs. Each portfolio is designed to provide Clients with an efficient way to invest in the capital markets based on each Client's individual investment time frame, risk tolerance, and liquid net worth. The portfolios are designed for long-term (i.e., one year or more) investing. To get started, we ask prospective Clients to respond to a sequence of interactive questions that are important to the development of their portfolios, such as their investment time horizon, financial goals and objectives, and net worth. We also inquire into their tolerance or appetite for risk.

Following responses to a series of online multiple-choice questions, prospective Clients receive a recommended investment allocation of a portfolio model tracking major asset benchmarks diversified among domestic equity, international equity, domestic fixed income, and international fixed income ETFs. There are five risk models: Conservative, Moderate, Moderate Growth, Growth and Aggressive Growth. Each model is comprised of four ETFs believed to be appropriate for the Client's situation. The recommendation is delivered for viewing over the Internet via our website.

The Invest Simply portfolios are not subject to an advisory fee.

We are not currently accepting new Invest Simply accounts.

Personal Advice

The discretionary Personal Advice service is provided via a relationship with a dedicated Financial Advisor to analyze a Client's overall financial picture, construct a financial plan using a variety of investment strategies, and manage the Client's assets accordingly. The Client and the Financial Advisor work together to understand the Client's needs and general financial goals, such as retirement, education, and consideration of tax and estate planning strategies. The construction of the Personal Advice financial plan begins with a review of the Client's complete financial picture including, but not limited to, time horizon, investment objective, goals, net worth, risk tolerance, current assets (taxable and non-taxable accounts held at Ally Invest or at other financial institutions), any reasonable investment restrictions, retirement age, beliefs, and life stages ("Profile Information") to design an investment proposal using asset allocation modeling.

The Financial Advisor will present an investment proposal designed for the Client's financial goals utilizing long-term diversified asset allocation portfolio(s) with multiple asset and sub-asset classes. Each portfolio is comprised of ETFs. Each portfolio is designed to correspond to the Client's risk level: Conservative, Moderate, Moderate Growth, Growth and Aggressive Growth.

The Financial Advisor will recommend one or more of the following model portfolios:

- Foundational Portfolios: strategic asset allocations with diversified exposure to stocks and bonds; designed for income yield and diversification;
- Impact Portfolios: diversified asset allocation strategies designed for purpose and impact, such as exposure to environmental, governance and social ("ESG") ETFs; and
- Thematic Portfolios: diversified asset allocations with an increased allocation in ETFs focusing on specific sectors, emerging themes and technologies.

The Financial Advisor is able to tailor the asset class and security exposure of the Client's account by selecting from a variety of different model portfolios to address specific Client needs. In addition, the Financial Advisor will take into account considerations such as concentrated positions, capital gains tax management, and rebalancing requests when implementing and managing the portfolios.

We utilize a Turnkey Asset Management Platform provider ("TAMP") to deliver the Personal Advice service. The TAMP provides a technology platform that features a number of services that we leverage to administer and manage Client accounts, including billing, reporting, trading, and financial planning, as well as an investment management platform offering third-party strategist portfolio model allocations. The TAMP is not affiliated with us or our affiliates, is not a sub-adviser, and does not provide personalized investment advice to our Clients.

<u>Guided Advice</u>

AIA tested the discretionary Guided Advice service with a select population of Clients. The service is designed for Clients with a single investment goal. AIA constructs a simplified Investment Proposal consisting of a recommended portfolio, which is limited to a subset of the Foundational Portfolios described above. The recommendation is based on an assessment of the Client's Profile Information. Clients may request the assistance of a Financial Advisor at the Profile Information assessment stage.

We utilize the same TAMP used for the Personal Advice service to deliver the Guided Advice service.

We are not currently accepting new Guided Advice accounts.

Other Service Providers

In addition to the Advisory Agreement you enter into with us, our advisory services also require that you open a brokerage account with Ally Invest Securities LLC ("Broker"), a wholly owned subsidiary of Ally Invest Group and affiliate of AIA. You will need to complete a brokerage account application and agree to Broker's brokerage agreement to maintain the assets and effect all transactions in the account.

Apex Clearing Corporation ("Custodian"), an unaffiliated broker-dealer, acts as Broker's clearing firm and holds (or custodies) the assets in your portfolios. Custodian receives compensation directly from Broker and indirectly from AIA for providing custodial services on accounts managed by AIA.

Termination of Services

You may terminate our advisory relationship by providing us with 30 days' written notice. We may do the same by providing you with such notice. In either case, we will stop charging our advisory fee and

Broker will stop paying interest on cash balances within three business days of sending or receiving the notice and, unless you instruct us otherwise, we will liquidate all account positions shortly before the end of those 30 days.

If we receive or develop information indicating that you no longer reside in a jurisdiction in which we or Broker are authorized to conduct business, your account may be restricted (we currently service clients only if they reside in one of the 50 states, the District of Columbia, or Puerto Rico). If the restriction is not resolved within 60 days (i.e., you do not provide us with proof of your residence in an authorized jurisdiction), we may liquidate all account positions and terminate our advisory relationship without notice to you.

For Robo Portfolios and Invest Simply Clients Only

If you request a full liquidation and transfer or withdrawal through our digital platform, we will stop charging our advisory fee within three business days and our advisory relationship will terminate upon completion of your request.

If you engage in a transaction that drops your account below the minimum requirement, we may liquidate all account positions and terminate our advisory relationship at any time, without notice to you.

Account Closure

Once our advisory relationship has been terminated, we will notify Broker of that fact and Broker may close your account.

Item 5 – Fees and Compensation

Fee Calculation

1. *Robo Portfolios*

The minimum initial deposit for each account is $100.

There are no advisory fees charged for the Cash-Enhanced Robo Portfolios.

The annual advisory fee rate for Market-Focused Robo Portfolios is 0.30%. The fees are calculated daily by multiplying the account's closing balance by the annual advisory fee rate and then dividing by 365. Fees for a calendar month are equal to the sum of the daily fees for that month.

2. *Invest Simply*

The minimum initial deposit for each account is $10. Invest Simply portfolios carry no advisory fee.

3. *Personal Advice*

The minimum initial household relationship is $100,000, consisting of one or more accounts each having at least a $1,000 initial minimum. We charge a tiered advisory fee based on the following table:

Tier	Assets Under Management	Annual Advisory Fee
1	First $250,000	0.85%
2	Next $750,000, up to $1,000,000	0.80%
3	Additional assets above $1,000,000	0.75%

Advisory fees are calculated in the following manner:

(a) The average daily balance of each applicable invested account is added together to determine the relevant amount of assets under management ("AUM").
(b) Up to $250,000 of AUM is multiplied by the Tier 1 Fee Rate (i.e., 0.85% multiplied by days in billing cycle, divided by 365) to obtain the Tier 1 Fee.
(c) The amount, if any, of AUM above $250,000 but less than or equal to $1,000,000 is multiplied by the Tier 2 Fee Rate (i.e., 0.80% multiplied by days in billing cycle, divided by 365) to obtain the Tier 2 Fee.
(d) The amount, if any, of AUM above $1,000,000 is multiplied by the Tier 3 Fee Rate (i.e., 0.75% multiplied by days in billing cycle, divided by 365) to obtain the Tier 3 Fee.
(e) The Tier 1 Fee, Tier 2 Fee (if any), and Tier 3 Fee (if any) are added together to obtain the advisory fee for the billing cycle.

If you or your household have more than one account, they will be aggregated for purposes of calculating AUM to provide you with the maximum benefit of the lower Fee Rates associated with Tiers 2 and 3, *provided*, that should you request account restrictions that are substantially different as to any two or more accounts such that they require different investment approaches or operational requirements, we are entitled to calculate AUM and fees on a per-account basis. A household consists of a Client and any other person whose primary residence the same as the Client, including any child of the Client or such other person who temporarily resides at a different address for educational reasons (e.g., a college dorm).

In the absence of a reportable market value for any asset in your account, we may seek a third-party opinion from a recognized industry source (e.g., a public accounting firm).

The AUM calculation does not include funds awaiting investment through a Dollar Cost Averaging plan or funds segregated for account withdrawal.

4. *Guided Advice*

The minimum initial deposit is $25,000. Our compensation is based on an annualized asset-based fee. The annual fee of 0.50% is typically billed monthly, in arrears.

Our advisory fees are calculated by multiplying the average daily balance of the account by the fee rate (i.e., 0.50% multiplied by days in billing cycle, divided by 365).

Payment of Fees

Fees are billed monthly in arrears and fee payments are generally withdrawn from your account by the end of the following month. We do not accept cash, money orders, or similar forms of payment, nor do we allow for direct billing. Your first billing cycle begins once the Robo Portfolios and Invest Simply Advisory Agreement or Personal Advice and Guided Advice Advisory Agreement, as applicable (each, an "Advisory Agreement"), is executed and assets have been invested. Fees for partial months are prorated based on the remaining days in the reporting period in which we service the account. All fees deducted will be clearly noted on account statements that you receive from Custodian (as defined below). Please note that you share in the responsibility to verify the accuracy of fee calculations; Custodian may not necessarily verify billing accuracy for each Client.

Broker serves as broker of record for each account. Broker introduces all Client accounts on a fully disclosed basis to Custodian, which serves as Broker's clearing and carrying firm. By signing the Advisory Agreement, as well as Broker's or Custodian's account opening documents, you authorize the withdrawal of fees from your account. Broker will withdraw these fees from your account and send them to us. In the event there is insufficient cash in your account to cover the fees or any debit balance, we will select and sell securities held in your account to generate the needed cash. As with any other transaction in your account, you are responsible for any tax liabilities resulting from such sales.

Other Fees

You are responsible for paying any service fees assessed by Broker or Custodian, such as individual retirement account fees, qualified retirement plan fees, and account termination fees, none of which are included in our advisory fee. A list of those fees is available at Broker's website or by contacting Broker. See Item 12 for more information about our brokerage practices.

The annual advisory fee does not cover internal expense ratios (and other fees and charges) applicable to any ETFs held in your account. Each ETF charges its own internal advisory, brokerage and other fees and expenses. These internal fees and expenses are deducted from the ETF's net asset value and are standard expenses that all ETF shareholders pay. Please refer to the particular ETF's prospectus for more information.

Fee Adjustments

We may change our standard advisory fee rates in the future. If we do so, we will provide you with written notice at least 15 days before the new fee rate becomes effective. If you do not agree to the fee change, you must notify us in writing within that 15-day period that you wish to terminate your relationship with us.

We may negotiate, reduce, or waive the advisory fee for certain Clients at our discretion. If we do so, we are not obligated to notify you or provide you with any similar adjustment.

Additional Client Fees

There are no sales loads, brokerage fees, mark-ups, mark-downs, spreads paid to market makers, or brokerage termination or account surrender fees associated with our programs. Brokerage services are provided by Broker, an SEC-registered broker-dealer (member FINRA and SIPC) and affiliate of AIA, and clearing and custody services are provided by Custodian (member FINRA and SIPC).[1] Additional information about both of these entities and their services, as well as the benefits we receive from them is noted in further detail in Item 10 of this brochure. You may, however, incur certain separate charges imposed by Broker or Custodian, such as: wire transfer and electronic fund fees, retirement plan custodial fees, or account termination fees, in addition to certain taxes on non-retirement brokerage accounts, which are described in the fee schedule that is provided prior to account inception. A current list of these fees can be found at www.ally.com/invest/.

Compensation Matters

Our associated persons are compensated primarily by a base salary. They are eligible to receive additional cash incentive compensation that is a percentage of their base salary. The incentive portion is generally based on individual performance, client satisfaction metrics, business unit performance, and performance of the firm.

The Financial Advisors under our Personal Advice and Guided Advice services are also eligible for additional incentive payments, which are tied to several factors, including success at attracting new assets, client satisfaction, and other key behaviors. AIA has implemented training to mitigate any potential conflict of interest to help ensure the Personal Advice and Guided Advice services are appropriate for prospective clients.

You should always consider other programs offered by our affiliates or other firms, as well as whether paying separately for investment advice, brokerage, and other services is more appropriate for your personal situation.

[1] AIA is not, and is not required to be, a member of the Financial Industry Regulatory Authority ("FINRA") or the Securities Investor Protection Corporation ("SIPC"). Information about FINRA and SIPC may be found at www.finra.org and www.sipc.org respectively.

Item 6 – Performance-Based Fees and Side-By-Side Management

AIA does not receive performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in Item 5 – Fees and Compensation and not on the basis of any share of capital gains upon, or capital appreciation of, the assets in your account.

Item 7 – Types of Clients

We generally offer our advisory services to individuals and high net worth individuals. However, we may at our discretion offer our services to trusts, corporations, and other business entities, provided their investment guidelines permit us to do so. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships, or as we may otherwise determine. We also reserve the right to decline services to any prospective Client for any non-discriminatory reason. We gather information from Clients about their financial situation and risk tolerance, and manage accounts based on that information and the Client's investment objective. This data is then used to determine the recommended allocation for the Client.

Our advisory services generally are not available to foreign investors. Most foreign citizens with a valid Social Security or taxpayer identification number who reside in the United States full-time may open an account. All Clients, including United States citizens, must be living in the United States to open an account, though we make exceptions for active military personnel stationed abroad.

Account Requirements

Account Minimum

1. *Robo Portfolios*

The minimum initial investment requirement for new accounts is $100. The initial minimum amount must be met before advisory services will begin. Once the initial minimum is met and the required account paperwork is received and approved, we will manage your account regardless of account balance until either: (1) you make a full withdrawal request to liquidate and close your account ("Termination of Services") or (2) you make a withdrawal request that would bring the account below a $75 balance. Any disbursement (Client-initiated withdrawal or liquidation, account statement/trade confirmation fee or other service provider fee) of funds that would bring an account below $75 will be processed as a full withdrawal and initiate Termination of Services. Furthermore, if your account goes below the initial minimum funding amount, the asset allocation of the portfolio will vary from the target asset allocation. We may make exceptions to account minimums for certain legacy Clients and reductions in balances due to fees or market movement.

2. *Invest Simply*

The minimum initial investment requirement for accounts is $10. The initial minimum amount must be met before advisory services will begin. Once the initial minimum is met and the required account paperwork is received and approved, we will manage your account regardless of account balance until either: (1) you make a full withdrawal request to liquidate and close your account ("Termination of Services") or (2) you make a withdrawal request that would bring the account below a $5 balance. Any disbursement (Client-initiated withdrawal or liquidation, account statement/trade confirmation fee or other service provider fee) of funds that would bring an account below $5 will be processed as a full withdrawal and initiate Termination of Services. Furthermore, if your account goes below the initial minimum funding amount, the asset allocation of the portfolio will vary from the target asset allocation.

3. *Personal Advice*

The minimum initial investment requirement on a household level is $100,000, which can be comprised of multiple related Client accounts. The initial minimum funding amount per account is $1,000. Once a household has satisfied the initial investment requirement and all required documents have been reviewed and approved, we will implement the recommended portfolio(s). If the market value of the household relationship falls below $100,000 or any account value falls below $1,000 and stays below the required minimum for a significant period of time, we reserve the right to terminate the advisory relationship.

You may also choose to establish a Dollar Cost Averaging ("DCA") plan. You will be required to deposit at least $100,000 into the DCA account. We will typically invest your money at regular intervals and equal amounts over a specified period. Advisory fees will begin to accrue on invested amounts starting.

We may negotiate, reduce, or waive these minimum investment requirements for certain Clients in our sole discretion. If we do so, we will not be obligated to provide notice or a corresponding adjustment to you or any other Client.

4. *Guided Advice*

The minimum initial investment requirement is $25,000. Once the Client has satisfied at least $1,000 of the initial investment requirement and all required documents have been reviewed and approved, we will implement the recommended portfolio. If the market value of the account falls below $25,000 for a significant period of time, we reserve the right to terminate the advisory relationship.

We may negotiate, reduce, or waive these minimum investment requirements for certain Clients in our sole discretion. If we do so, we will not be obligated to provide notice or a corresponding adjustment to you or any other Client.

<u>Account Opening Process</u>

To help the government fight the funding of terrorism and money-laundering activities, federal law requires Broker to verify our Clients' identities. If Broker is not able to verify a Client's identity, whether at account opening or at any other point in the course of the advisory relationship, we will restrict the account from trading and the billing of fees until the restriction is resolved.

1. *Robo Portfolios and Invest Simply*

Instructions for funding the account will be provided interactively on the website during the account opening process. Once the minimum investment level for the specified allocation is reached, the available cash will be allocated.

2. *Personal Advice and Guided Advice*

Instructions for funding will be provided during the account opening process. Once the minimum investment level for an account is reached, the available cash will be allocated.

<u>Deposit of Securities to Fund Account – Liquidation</u>

We will have discretionary authority over any securities you transfer into your account from another broker-dealer. We will typically liquidate all non-ETF securities and any ETFs that are deemed incompatible with the recommended portfolio. A deposited ETF that is a component of the recommended model portfolio can generally be retained, provided the size of the position is consistent with the ETF's weighting within the model. If you deposit Restricted Securities (as defined in Rule 144 under the Securities Act of 1933), non-standard assets, options, derivatives, or other similar securities, we will attempt to liquidate them, subject to regulatory requirements.

The cash generated from such liquidations will be invested in the appropriate model portfolio, assuming the investment minimums are met. **We do not provide tax advice.** You are responsible for seeking the advice of a tax professional prior to depositing securities that are not part of the model portfolio into your account. Liquidation of securities deposited may be subject to capital gains. You are responsible for all taxes as well as any early surrender/sales loads for mutual funds transferred to the account and subsequently liquidated for investment. No commissions will be charged on the sale of the securities, but your prior broker-dealer may charge you fees for the transfer of your securities.

1. *Robo Portfolios and Invest Simply*

Liquidations will be effected after the opening and acceptance of your account and after the eligible securities are received in good order (certain securities may require additional paperwork) at then-prevailing market prices.

2. *Personal Advice*

If you fund your account with ETFs transferred in from elsewhere, you will work with the Financial Advisor to review the securities to address your specific needs, and the Financial Advisor will take into account considerations such as concentrated positions and capital gains tax management when liquidating the securities as part of the investment proposal process. Any ETFs that are not a component of the recommended model portfolio will be reviewed for compatibility with the portfolio based on an established list of acceptable substitutes. Clients who commit to investing assets of $1,000,000 or more (at a household level) with Personal Advice may request bespoke research in order to determine whether a deposited ETF that is neither a component of the recommended portfolio nor on the established list of acceptable substitutes is compatible with the recommended portfolio and can therefore be retained.

3. *Guided Advice*

If you fund your account with ETFs transferred in from elsewhere, you will work with the Financial Advisor to review the securities to address your specific needs and the Financial Advisor will take into account considerations such as concentrated positions and capital gains tax management when liquidating the securities as part of the investment proposal process. Any ETFs that are not a component of the recommended model portfolio will be reviewed for compatibility with the portfolio based on an established list of acceptable substitutes.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Investment Methodology

1. *Robo Portfolios and Invest Simply*

We construct the invested (i.e., non-cash) portions of our portfolios based on Modern Portfolio Theory ("MPT"). MPT assumes that investors are risk averse, and thus an investor will only take on increased risks if they are adequately compensated with higher expected returns. We employ a disciplined investment process that seeks to construct a set of efficient portfolios for different levels of risk appetite. The strategies are diversified across a broad mix of asset classes, geographies, major market sectors, and segments.

We developed capital market forecasts of risk, return, and correlation using a combination of historical and current market data. Our first step in evaluating the broad universe of asset classes for inclusion within our optimal portfolio mix is to obtain and calculate their annual returns, volatility, and cross-correlations. We then focus on three major qualifications: (1) efficiency from a mean-variance and conditional VaR perspective, (2) constraints of the selected asset classes, and (3) investor risk profile. However, these three major qualifications are subject to certain self-imposed constraints, as the best risk/return characteristics may not always be practical or acceptable to the investor.

In determining the appropriate assets classes to be included in an optimal asset allocation, we take into account the following:

- Traditional mean-variance optimization (subject to our constraining factors)
- Mean conditional value at risk
- Probability distributions

Once an efficient frontier has been developed based upon the above criteria, we then create five broad asset allocations along the efficient frontier based on projected investor performance criteria and effective portfolio spacing.

Strategy-specific portfolios are constructed using a mix of ETFs whose underlying holdings include domestic and foreign fixed income, equity securities, and cash. Stocks, despite their high volatility, give investors exposure to economic growth and offer the opportunity for long-term capital gains. Stocks provide effective long-run inflation protection and are relatively tax efficient due to the favorable tax treatment on long-term capital gains and stock dividends. Bonds and bond-like securities are the most important income-producing asset classes for income-seeking investors. Although bonds have lower return expectations, they provide a cushion for stock-heavy portfolios during economic turbulence due to their low relative volatility and low correlation with stocks.

Independent of the investment allocations described above, a portion of the account is held in cash reserves. The Cash-Enhanced Robo Portfolios target cash of approximately 30% of the entire account value while the Market-Focused Robo Portfolios and Invest Simply portfolios target cash of 2% of the entire account. The cash will be held as a cash credit in the account and will be used primarily as a 'buffer' to provide a cushion against volatility of the invested portion of the account, to facilitate the rebalancing of asset mix when appropriate, and also to facilitate the collection of management fees without requiring the liquidation of securities.

The ETFs used in portfolios are selected based upon a number of factors including: (1) reputation of issuer, (2) correlation to underlying benchmark, (3) volume/liquidity, (4) asset size/popularity, and (5) cost/expense ratio.

2. *Personal Advice and Guided Advice*

The invested portions of our Personal Advice and Guided Advice Portfolios use the same investment philosophy as Robo Portfolios and Invest Simply, as described above. Personal Advice and Guided Advice Portfolios use broad asset class targets to define a Strategic Asset Allocation ("SAA"). The SAA is the guide for creating a diversified portfolio allocated among equities and fixed income securities, including determining the allocations at each of the 11 asset allocation mixes among five risk tiers. In addition, there are portfolio guardrails to determine the underweight and overweight limits of each sub-asset class within equities and fixed income. The SAA and the portfolio guardrails are combined with specific portfolio objectives to allow for the creation of targeted portfolio allocations within Personal Advice and Guided Advice. For example, a broad ETF that tracks the large-cap equity market and also incorporates an ESG screen to select specific companies may be used to develop an ESG or Socially Responsible Portfolio. Alternatively, an ETF focused on a specific sub-industry may be used to develop a diversified portfolio that seeks additional exposure to the specific sub-industry.

In some instances, a Client may fund a Personal Advice or Guided Advice account by depositing securities into the account. We may retain the securities in the account rather than immediately liquidating them as described in Item 7 (e.g., to prevent a tax liability). All such securities will be evaluated for compatibility with the recommended portfolio. Accounts that retain such securities may experience different performance than accounts that do not, including potentially lower overall performance.

Independent of the investment allocations described above, a portion of the account is held in cash reserves. The Personal Advice and Guided Advice Portfolios target cash of approximately 1% of the entire account. The cash will be held as a cash credit in the account and will be used primarily to facilitate the rebalancing of asset mix when appropriate and also to facilitate the collection of management fees without requiring the liquidation of securities.

Clients should be aware of the IRS' treatment of wash sales. A wash sale occurs when a taxpayer sells a security at a loss but purchases the same or substantially identical security anytime from 30 days before through 30 days after such sale. The IRS does not allow deductions on wash sale losses for current tax reporting purposes. Instead, the loss amount is incorporated into the cost basis for the new security and its holding period is extended by the holding period of the original security. For more information on wash sales generally, please consult IRS Publication 550.

For all taxable Personal Advice and Guided Advice accounts, AIA will attempt to avoid wash sales at the account level only (i.e., based on transactions occurring in a single account rather than across multiple accounts of a household). For example, if a Client deposits funds into a taxable Personal Advice account within 30 days after AIA liquidates a portion of the portfolio, AIA will invest the deposited funds in alternate securities. After the wash-sale period expires, AIA will seek opportunities to exit those alternate securities positions (e.g., by rebalancing back into primary securities). For more information, please see Wash-Sale Risks under the Risk Considerations section below.

(a) Optional Tax-Sensitive Allocations

We offer a tax-sensitive allocation feature utilizing an alternate security within the model portfolio, depending on the account type (taxable, tax deferred, tax exempt). For example, taxable accounts may include the opportunity to use municipal bond ETFs in place of either government or corporate bond ETFs.

(b) Optional Tax-Loss Harvesting Service (Personal Advice Only)

We offer a tax loss harvesting ("TLH") service, which seeks to minimize your tax liability while attempting to maintain the expected risk and return profile of your portfolio. The goal is to offset taxes due on other gains (and potentially up to $3,000 in other taxable ordinary income) by realizing losses through sales of existing positions and investing the proceeds in predetermined, alternate securities with closely correlated risk and return characteristics. We will use the TAMP to monitor the alternate securities position and look for opportunities to liquidate it over time while attempting to avoid triggering short-term capital gains and the wash-sale rule. When identifying positions suitable for liquidation, we will consider the realized and unrealized capital gains and losses within your Personal Advice account, with the goal of making sales in a tax-efficient manner.

For more information, please see Tax-Loss Harvesting Risks under Risk Considerations below.

Client Tailored Services

1. *Robo Portfolios and Invest Simply*

You will be asked to provide personal information to assist us in recommending a portfolio suited to your particular circumstances. While the accuracy of the data you provide is important to the investment recommendation, we are not required to verify any such data and are entitled to rely on your representations. Investment advice is limited to accounts managed by AIA and does not take into consideration accounts held outside of AIA.

You retain discretion over the initial implementation decisions and are free to accept or reject our initial recommendation**. If you are a Robo Portfolios Client and decide to reject the recommended portfolio and select an alternative portfolio, it is at your own risk.**

Once you have selected a portfolio, you must open an account with Broker in order to participate in the investment program. You must authorize us to exercise discretionary trading authority over that account. Once the portfolio allocation has been selected, we will exercise our discretionary authority to execute trades for the initial allocation of the selected portfolio, including the liquidation of any securities deposited or transferred into the account, and also for ongoing rebalancing. We will monitor the accounts and may rebalance (a) for “drift,” (b) for deposits and withdrawals, (c) to free up cash to pay for advisory fees, and (d) if we make a change to the underlying investment allocations. We do not have the authority to remove funds or securities from your account and may only request the withdrawal of our advisory fees.

2. *Personal Advice*

You will be asked to provide personal information to assist your Financial Advisor in recommending a tailored financial plan and related portfolio(s). The Personal Advice investment proposal takes into consideration accounts managed by AIA and accounts held elsewhere. Therefore, it is important that you notify your Financial Advisor of any changes to your goals and Profile Information that could affect the appropriateness of the investment proposal. While the accuracy of the data you provide is important to the investment recommendation, we are not required to verify any such data and are entitled to rely on your representations.

Once you have accepted the investment proposal, you must open an account with Broker in order to participate in the Personal Advice service. You must authorize us to exercise discretionary trading authority over that account. Once you have accepted the investment proposal, we will exercise our discretionary authority to execute trades for the initial allocation of the selected portfolio, including the liquidation of any securities deposited or transferred into the account, and also for ongoing rebalancing. We will monitor the accounts and may rebalance (a) for “drift,” (b) for deposits and withdrawals, (c) to free up cash to pay for advisory fees, and (d) if we make a change to the underlying investment allocations. We do not have the authority to remove funds or securities from your account and may only request the withdrawal of our advisory fees.

3. *Guided Advice*

You will be asked to provide personal information to assist us in recommending a portfolio. It is important that you notify us of any changes to your goals and Profile Information that could affect the appropriateness of the investment proposal. While the accuracy of the data you provide is important to the investment recommendation, we are not required to verify any such data and are entitled to rely on your representations.

Once you have accepted the investment proposal, you must open an account with Broker in order to participate in the Guided Advice service. You must authorize us to exercise discretionary trading authority over that account. Once you have accepted the investment proposal, we will exercise our discretionary authority to execute trades for the initial allocation of the selected portfolio, including the liquidation of any securities deposited or transferred into the account, and also for ongoing rebalancing. We will monitor the accounts and may rebalance (a) for "drift," (b) for deposits and withdrawals, (c) to free up cash to pay for advisory fees, and (d) if we make a change to the underlying investment allocations. We do not have the authority to remove funds or securities from your account and may only request the withdrawal of our advisory fees.

Taxes

1. *Robo Portfolios and Invest Simply*

While we do not take your personal tax situation into consideration when managing the Robo Portfolios and Invest Simply portfolios, we may offer tax-advantaged products in the Robo Portfolios service that you can select. **We do not provide tax advice. You may be subject to capital gains or losses as part of AIA investment management. We do not monitor for wash sales in your account. We recommend that you consult with your personal tax professional before engaging in any tax strategy.**

2. *Personal Advice*

AIA and your Financial Advisor will utilize information concerning your personal tax situation when creating the investment proposal. **We do not provide tax advice. You may be subject to capital gains or losses as part of AIA investment management. We attempt to avoid wash sales at the account level only. We recommend that you consult with your personal tax professional before engaging in any tax strategy.**

3. *Guided Advice*

We will utilize information concerning your personal tax situation when creating the investment proposal. **We do not provide tax advice. You may be subject to capital gains or losses as part of AIA investment management. We attempt to avoid wash sales at the account level only. We recommend that you consult with your personal tax professional before engaging in any tax strategy.**

Portfolio Selection and Performance Evaluation

Performance reports are available to you by accessing our service platform. You will retain access to the platform as long as your account remains open with us. This access also gives you the ability to generate various reports to gauge account performance. Our online performance reports are calculated using a time-weighted methodology. The methodology is programmed into our portfolio administration systems and, to ensure accuracy, periodic back-testing is conducted by our supervisory staff or qualified third parties. Time-weighted reporting compounds daily portfolio-level returns from the time the account was originally funded to the present. Reports are intended to inform Clients about investment performance on both an absolute basis and as compared to a known benchmark. We believe these are appropriate methods to evaluate portfolio performance since they are not sensitive to any contributions or withdrawals that Clients may make regarding an account. We do not validate performance reports created by systems external to ours and make no representation as to whether they are calculated on a uniform and consistent basis.

Performance reports are for informational purposes only and are not intended to replace statements or confirmations, which are the official account records provided by Custodian. You will receive electronic account statements prepared by Custodian on at least a quarterly basis. We do not create account statements for Clients, and we urge you to carefully review statements you receive from Custodian for accuracy.

Risk Considerations

We do not warrant or guarantee any particular level of account performance or that an account will be profitable over time. Past performance is no guarantee of future results.

Except as may otherwise be provided by law, we are not liable for: (i) any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (ii) any loss arising from our following of any directions by you or your attorney-in-fact; or (iii) any act or failure to act by a service provider maintaining an investment account.

Federal and state securities laws impose liability under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or any Advisory Agreement is intended to act as a waiver of any rights that you may have under federal and state securities laws.

Our investment portfolios are designed to produce the appropriate potential return for the given level of risk. However, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor, you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or all principal invested. The following paragraphs offer examples of such risk.

Company Risk

When investing in securities, there is always a certain level of company- or industry-specific risk that is inherent in each company or issuer. For example, there is the risk that a company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Concentration Risk

There is risk associated with having too much invested in a particular sector or type of holding. Concentration risk may be further compounded by factors such as asset correlation or performance, and may be compounded by certain securities, or types of securities, being held in various investment vehicles in a portfolio.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fundamental Analysis

The challenges involving fundamental analysis include situations where information obtained may be incorrect or the analysis may not provide an accurate estimate of future earnings, which may be the basis for a security's value. If a security's price adjusts rapidly in response to new information, fundamental analysis may result in unfavorable performance.

Inflation Risk

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Management Risk

An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

Market Risk

When the stock market as a whole, or an industry as a whole, falls in value, it can cause the prices of individual stock prices to fall indiscriminately. This is also called *systemic* or *systematic* risk.

Passive Investing

A portfolio that employs a passive, "efficient markets" approach (generally representative of index investing) has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class, and the return on each type of asset may deviate from the average return for the asset class. We believe this variance from the expected return is generally low under normal market conditions when a portfolio is made up of diverse, low-correlated or non-correlated assets.

Actively Managed ETF Risks

Certain Personal Advice portfolios include actively managed ETFs. Actively managed ETFs are administered by portfolio managers who aim to outperform a specific index or benchmark using research and analysis, as opposed to passive ETFs, which are designed to replicate the performance of a specific index or benchmark. Actively managed ETFs have risks similar to investing in individual stocks and other types of ETFs. These risks include market volatility, economic downturns, poor investment decisions by portfolio managers, and the potential for underperformance compared to the market or the fund's objectives. Actively managed ETFs have higher fees compared to passive ETFs due to their management fees, and holdings are less transparent, as they can change day-to-day based on portfolio managers' investment decisions.

Performance of Underlying Managers

We select ETFs based on a variety of criteria. However, we depend on the manager of such investment vehicles to select individual investments in accordance with their stated investment strategy. Should a manager deviate from such norms, or do a poor job of selecting investments, a given investment might underperform or face enhanced risk.

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by the selected vendors, rating services, market data, and the issuers themselves. Therefore, while we make efforts to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided, which could affect the advice regarding, or investment management of, an account.

ETF-Specific Risks

Our asset selection process seeks to identify ETFs that exhibit high liquidity, low expenses, and low tracking error. Our selection process does not guarantee the quality of a particular ETF or that it will (1) be profitable, (2) properly track any comparable index, (3) trade in a liquid fashion, or (4) trade at or above its publicly posted net asset value. We reserve the right to change the selection of ETFs we recommend at any time. Changes in our selection of ETFs may result in the sale of existing holdings and could subject you to additional tax liability.

The risk of owning ETFs reflects the risks of their underlying securities (e.g., alternative investments, stocks, bonds, etc.). ETFs also carry additional expenses based on their share of operating expenses and certain brokerage fees (often referred to as "expense ratios"), which may result in the potential duplication of certain fees.

Wash-Sale Risks

As noted in Item 8 above, AIA attempts to avoid wash sales at the account level only, meaning we do not consider trading activity in any of your other accounts at AIA, Broker, or any other financial institution. The IRS, however, considers all your trading activity (and potentially your household members' activity as well) when determining whether a wash sale has occurred. As a result, a trade placed in one account may inadvertently create a wash sale in another account. You should be aware of investments in all your accounts to determine if you run the risk of triggering wash-sale consequences.

Accounts holding alternate securities positions will experience different performance, potentially higher risk exposure, and potentially higher expense ratios than portfolios invested exclusively in primary securities.

Tax-Loss Harvesting Risks

Under the optional TLH service, AIA attempts to harvest losses based on information at the account level only. This means that we do not consider any gains or losses in any of your other accounts at AIA, Broker, or any other financial institution, when attempting to identify losses suitable for harvesting.

We make no guarantees regarding the frequency or timing of TLH transactions. Opting into the TLH service does not obligate us to harvest any particular loss at any particular time.

We assume no responsibility to you for the tax consequences of any transaction, including any capital gains or wash sales that may result from the TLH strategy.

There is no guarantee that TLH will reduce, defer, or eliminate the tax liability generated by your investment portfolio in any given tax year.

Accounts holding alternate securities positions will experience different performance, potentially higher risk exposure, and potentially higher expense ratios than portfolios invested exclusively in primary securities.

Technology Risk

We incorporate computer-based technology to make investment recommendations and in the portfolio management processes, primarily through the use of algorithms designed to optimize various elements of investment management. Accounts are continuously monitored by advisory personnel to ensure the investments held correctly reflect the selected model portfolio. You should be aware that this type of portfolio management is based on a pre-set investment allocation that could rebalance your account and not take certain market conditions into consideration. Such trading may occur on a more frequent basis than you might expect and may not address prolonged changes in market conditions. As with any other type of software, there are risks associated with utilizing such algorithms, including inadvertent changes to the algorithmic code that could have material effects on our portfolio recommendations and investment management. In the event of extraordinary market conditions, we may halt trading or take other temporary measures meant to protect your financial interests and will seek to identify and resolve any issues in a timely manner.

Cybersecurity Risk

Client accounts are subject to operational, information security, and related risks through cybersecurity incidents. These incidents can result in system outages causing the delay or cancelation of trading sessions, as online trading has inherent risk due to system response and access times. We plan to quickly recover and resume business operations after a significant business disruption. We will respond by safeguarding our employees and property and making a financial and operational assessment. Our business continuity plan is designed to permit our firm to resume operations as quickly as possible, relative to the scope and severity of the disruption.

Alternative Investments

Strategies involving "alternative" investments generally include those which do not fall into equity, fixed income or cash equivalents. Such investments would include "real assets" such as real estate and commodities, and alternative strategies such as absolute return strategies and various other hedge fund-type strategies: global macro, managed futures, long/short equity, multi-strategy, event driven, private equity, etc. The goal of these alternative strategies is to provide for diversification in order to lower portfolio volatility and enhance long-term returns. The alternative investments we recommend are managed through ETFs and are not direct holdings. We do not directly invest in any hedge funds, managed futures, private equity funds, real estate investment trusts, or any other type of alternative investment.

Equity (Stock) Market Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in, and perceptions of, the company that issued the stock change. An investor who holds common stock, or common stock equivalents, of any given company would generally be exposed to greater risk than if the investor held preferred stock or debt obligations of the company. Common stocks are often holdings within mutual funds and ETFs.

Cash Drag Risk (Cash-Enhanced Robo Portfolios)

The allocation of cash within your portfolio has an impact on portfolio performance. As the allocation to cash increases, the volatility of the entire portfolio is reduced. In times when invested assets are increasing in value, a portfolio with a higher allocation to cash will generally experience returns that lag those of a more fully invested portfolio. Conversely, when invested assets are declining in value, a portfolio with a higher allocation to cash could experience a less significant decline than a more fully invested portfolio.

Monte Carlo Methodology Risks

Monte Carlo Simulation Tools project how your financial plan may perform over a range of various market outcomes, based upon the composition of your portfolio, your investment time horizon, and any contributions. These tools also allow you to simulate the impact of any changes to these variables on your portfolio, so that you can make more informed decisions about your goals. It is important to note that these tools rely upon assumptions of capital market returns to provide hypothetical projections, do not reflect actual results, and are not a guarantee of future results. Results may vary with each use and over time.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds, or certain ETFs containing these holdings, may be affected by various forms of risk, including:

- *Credit Risk* – The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- *Duration Risk* – Duration is a measure of a bond's volatility expressed in years, to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.
- *Interest Rate Risk* – The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- *Liquidity Risk* – The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income instruments are generally liquid (i.e., bonds), there are risks that may occur such as when an issue trading in a given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- *Reinvestment Risk* – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Tracking Error Risk

Index investing has the potential to be affected by "active risk" (or "tracking error risk"), defined as the risk of deviation from a stated benchmark. If a portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index fund or ETF that may not as closely align to the stated benchmark as intended. In these instances, a portfolio manager may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a "replicate index" position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

Socially Responsible Investing Risk

An ETF's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the ETF. The expense ratios of the ETFs used in the ESG portfolios are materially higher than those of other portfolio fund options, and in some cases, more than double. As a result, the ESG portfolios may underperform the market as a whole or underperform the non-ESG portfolios. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics.

Foreign and Emerging Markets Risks

Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. Investments in international securities have additional risks, including foreign economic, political, monetary, and legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards.

Personal Advice Thematic and Foundational Income Portfolios Investing Risk

The expense ratios of the ETFs used in the Thematic and Foundational Income portfolios are materially higher than those of other Personal Advice portfolio fund options. As a result, the Thematic and Foundational Income portfolios may underperform the market as a whole or underperform the other Personal Advice portfolios.

Qualified Dividend Income ("QDI") Ratios

While many ETFs are known for their potential tax-efficiency and higher QDI percentages, those qualities may be negatively affected depending on the nature of the ETF's underlying assets or how they are managed. For example, dividends paid by companies held for less than 61 of the 121 days surrounding the ex-dividend date are considered "non-qualified" under certain tax code provisions. Such holding period applies both to the ETF itself and to any company held by the ETF in its portfolio. Also, some or all of the income generated by certain asset classes, including commodities, currencies, REITs, and fixed income instruments, may be treated as non-qualified. An ETF's QDI ratio should be considered when tax-efficiency is an important aspect of the Client's portfolio.

Retirement Account Rollover Risk

AIA does not make retirement account (e.g., 401(k) accounts and IRAs) rollover recommendations, but we may provide educational information on rollovers generally. Clients should understand their options before executing a rollover. Information on rollovers is available at www.ally.com/iras/rollover-ira/. AIA does not provide tax advice. We recommend that you consult with your personal tax professional before engaging in a retirement account rollover and carefully consider the risks involved.

Legislative and Regulatory Risk

Investment performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to, changes in investment adviser or securities trading regulations, changes in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities, and changes to retirement and tax laws and regulations that could affect assets, interest income, income characterization, and tax reporting obligations.

Item 9 - Disciplinary Information

Neither AIA nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon AIA's advisory business or the integrity of AIA.

Item 10 - Other Financial Industry Activities and Affiliations

AIA's policies require AIA and its associates to conduct business activities in a manner that avoids or appropriately mitigates conflicts of interest that may be contrary to law, including those among AIA, its associates, and its Clients, and with any other party. We will provide disclosure to each Client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence.

Broker, Ally Invest Group, Ally Bank, and Ally Financial provide services to support us per an intercompany agreement. These services may include brokerage services, customer technical support, marketing functions, operational support, and other types of services. Management persons of AIA may also serve as management persons of Broker and Ally Invest Group.

All members of AIA management are registered with Broker.

Broker is a FINRA member and introducing broker-dealer to Custodian, which carries Broker's accounts, including AIA accounts, on a fully disclosed basis. Broker effects AIA's Client trades through various market centers, which are then cleared by Custodian. Accordingly, Clients are required to open their accounts at Broker. AIA and Broker are wholly owned subsidiaries of Ally Invest Group. Ally Invest Group and Ally Bank are wholly owned subsidiaries of Ally Financial. Additional information about these relationships and potential conflicts of interest are described in other sections of this brochure.

As noted in Item 12, our affiliates benefit from the assets held in accounts that we manage. For more information, please visit our disclosures page at www.ally.com/invest/disclosures.

Item 11 - Code of Ethics and Conflict of Interest

We have adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel and accept the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure it remains current and require all personnel to annually attest to their understanding of, and adherence to, the Code of Ethics. A copy of our Code of Ethics is available upon request.

No associate of AIA is authorized to recommend or effect for a Client any transaction involving a security in which AIA or a "related person" (e.g., associate, an immediate family member, etc.) of AIA has a material financial interest, such as in the capacity of an underwriter, advisor to an issuer of securities, etc.

Associates are prohibited from borrowing from or lending to any Client unless the Client is an approved financial institution.

For the purpose of performance tracking, we invest our own funds in our own managed portfolios. We do not trade for our own account (i.e., proprietary account trading) for the purpose of generating revenue, tax harvesting, etc. Our related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to Clients for their accounts. A recommendation made to one Client may be different in nature or in timing from a recommendation made to a different Client, as Clients often have different objectives and risk tolerances.

At no time will we or any of our related persons receive preferential treatment over a Client. In an effort to reduce or eliminate certain conflicts of interest involving personal trading (e.g., trading ahead of a Client's order, etc.), our policy restricts or prohibits related parties' transactions in specific securities. However, the restriction does not apply to: (i) securities in the S&P 500 Index or other large cap issuers with a market capitalization or net assets of at least $5 billion; or (ii) de minimis transactions, meaning purchases or sales of a security involving no more than $10,000 in a single day. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in a related person's account. We maintain personal securities transaction records per applicable regulations.

Item 12 - Brokerage Practices

To become our Client, you will be required to open an account with Broker. The account will be held at Custodian on a fully disclosed basis.

When we manage your account, we use trade aggregation, which involves the purchase or sale of the same security for several Client accounts at approximately the same time during the same trading session. Aggregated orders are typically utilized to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts if there are differences in prices, brokerage commissions, or other transactional costs that might otherwise be unobtainable through separately placed orders. Orders are routed for execution by Broker. The bulk executions are reported back to us, and the positions are allocated to Client accounts at an average price.

We will sometimes open additional trading sessions during a trading day or over several trading days for various reasons, including portfolio reallocations, large numbers of Client-initiated requests, or extenuating circumstances that result in accounts missing a trading window. These orders will be aggregated and will receive an average price that is separate from the regular daily trading session. In addition, market volatility may trigger drift rebalancing in a large number of accounts. In this instance, the regular daily trading session will be divided into more than one trading session. Each trading session will have its own average price for trade executions and allocations. On occasion, we may delay or cancel a trading session, as online trading has inherent risk due to system response and access times that may vary due to market conditions, system performance, and other factors.

If we make a trading error that has a financial impact on your account, we will seek to correct the error as soon as possible and in such a manner that you are not disadvantaged and bear no loss. We will evaluate each situation independently.

The securities purchased or sold on your behalf or held in your account may be either whole shares or fractional shares, depending on the cost of the shares and the dollar amount you contribute to or deposit in your account. Fractional shares are typically unmarketable and illiquid if held outside of your account and, as a result, they are generally not transferrable to another broker-dealer. If you do decide to transfer your account assets to another firm, Custodian will sell any fractional shares in your account as necessary to facilitate the transfer. Dividends received on fractional shares of securities in your account will be allocated pro-rata. However, you will not receive a dividend if the pro-rata amount of such dividend is less than $0.01.

Interest on Cash Balances

Cash balances held overnight in your account will be placed by Custodian on deposit at one or more banks, including AIA affiliate Ally Bank, together with funds of other customers of Broker or Custodian in an unsegregated account. Ally Bank uses those funds for its general business purposes and thus derives financial benefit from them. Ally Bank pays interest to Custodian for the use of these funds. Custodian shares that interest with Broker, which in turn pays a portion of that interest to you at AIA's behest. The interest on the cash balances is typically equal to the current highest annual percentage yield of Ally Bank's liquid savings accounts. All rates are subject to change without notice.

Payment for Order Flow and Best Execution

Broker is compensated when it places orders on behalf of AIA that are executed by various market centers, including those executed or routed by Custodian. This industry practice is generally known as "payment for order flow" and consists of a per-share rebate when an order is executed. Broker does not share such compensation with us. We monitor Broker's execution of trades for fulfillment of its obligation to obtain as favorable pricing as possible under prevailing market conditions.

Item 13 - Review of Accounts

We provide all Clients with continuous access to their account information and documents via our website. Clients also receive periodic email communications describing account information, product features, and portfolio performance.

Personal Advice Clients are free to contact their Financial Advisor and dedicated service team at any time during normal business hours via telephone, email, or mail. Generally, the issuers or sponsors of the investments and the TAMP are not available to answer questions or discuss specific investment issues.

It is your ongoing responsibility to promptly update us when there is a material change to your situation or investment objective, so we can evaluate and potentially revise previous portfolio recommendations.

1. *Robo Portfolios, Invest Simply, and Guided Advice*

We periodically review the ETFs used for Client portfolios via our Investment Committee. The Investment Committee is comprised of AIA's president and certain other AIA and parent company personnel who review any modifications to the ETFs chosen for the portfolios or any newly created portfolios. Implementation of any such modification is approved by the voting members of the Investment Committee, who are all supervised persons of AIA.

Non-periodic reviews may be performed by assigned staff or our programmed systems in response to material market, economic, or political events, or by changes in a Client's financial situation (e.g., changes in employment, relocation, an inheritance, etc.). You should consider revisiting previously entered data to update your information if a material event has occurred so that we can review and potentially adjust your portfolio.

AIA will inquire about changes in your financial situation or objectives or if you wish to discuss any investment restrictions informally on a quarterly basis and more formally on an annual basis.

2. *Personal Advice*

At a minimum, each Client will receive an annual letter bearing current Profile Information. If a Client has a material change to his Profile Information or wishes to impose reasonable investment restrictions, the Client can contact his Financial Advisor to schedule a meeting. In some instances, the Financial Advisor will schedule additional meetings with Clients who have more complex financial needs or require additional financial coaching. During the meeting, the Financial Advisor reviews the performance of your investment proposal and discusses any changes to your goals and Profile Information that may impact your investment proposal. In addition, accounts are reviewed on a periodic basis to determine if market movements or other Client Profile Information changes necessitate an account review and potential update to the investment proposal. You should notify your Financial Advisor of any changes to your goals and Profile Information that could affect the appropriateness of the investment proposal. Clients may request an additional review at any time.

Item 14 - Client Referrals and Other Compensation

As a fiduciary, we endeavor to put the interests of our Clients first, and it is important to mention that any benefit we receive through a market center does not depend on the amount of brokerage transactions directed to that market center. In addition, we believe that the selection of Broker and Custodian is in the best interests of our Clients since the selection is primarily supported by the scope, quality, and cost of services provided as a whole.

We may participate in promotional campaigns involving affiliates. These events may be delivered to Clients in the form of emails, ads on the www.ally.com website, or through other channels. These promotions may include reduced or waived fee arrangements for AIA, and they may also include cross-company promotions. A Client may be required to maintain certain asset levels in order to be eligible to receive such an incentive.

AIA compensates the TAMP for its services and a portion of that compensation is based on assets under management.

Item 15 - Custody

Your assets are maintained in an account in your name at Custodian, with Broker serving as the broker-dealer of record. Custodian also provides settlement and clearing services with respect to trades booked to the account. Accordingly, your assets are not physically maintained by AIA. Broker also processes Client checks made payable to Custodian and deposits them into Client accounts. In keeping with this arrangement and its custody policies, we:

- Prohibit our associates from serving as trustee or having general power of attorney over a Client account;
- Prohibit our associates from having authority to directly withdraw securities or cash assets from a Client account. Advisory fees are only withdrawn from an account through the engagement of a qualified custodian maintaining Client account assets and with prior written Client approval (termed “constructive custody”);
- Ensure that Broker maintains strict policies and procedures relating to check handling and processing;
- Do not accept or forward Client securities (e.g., stock certificates) erroneously delivered or received by AIA;
- Will not collect advance fees of $1,200 or more for services that are to be performed six months or more into the future; and
- Do not permit our associates to ask for or receive Client account access information (e.g., online 401(k), brokerage, or bank account passwords).

Clients are provided with transaction confirmations and summary account statements by Custodian. Statements are provided on at least a quarterly basis. We do not create account statements for Clients and will not serve as the sole recipient of any Client account statement. You are urged to carefully review and compare your account statements with any performance report provided by us.

Item 16 - Investment Discretion

We manage Client accounts on a discretionary basis. Similar to a limited power of attorney, discretionary authority allows us to implement previously determined investment strategies and subsequent trading decisions, such as the purchase or sale of a security, without requiring your specific authorization for each transaction. You grant us this authority by executing an Advisory Agreement, as well as Custodian's limited power of attorney form or clause, which may be part of the account opening documents. Custodian limits our authority over your account to the placement of trade orders and the deduction of any applicable advisory fee. You retain the right to terminate our account authority but doing so will result in a termination of the Advisory Agreement. We will then inform Broker that the Advisory Agreement has been terminated and Broker may close your account.

Account Restrictions

You may impose reasonable investment restrictions upon your account by requesting that we reallocate to an alternative fund or fund family in place of the currently selected one. We will not accept Client requests for restrictions that are inconsistent with our stated investment strategy or philosophy or that are inconsistent with the nature or operation of the applicable advisory service. Any restrictions requested by Clients are subject to our acceptance at our sole discretion. Please note: accounts with Client-requested restrictions may experience different performance than accounts without such restrictions, including potentially lower overall performance.

Item 17 - Voting Client Securities

Clients may periodically receive “proxies” or other similar solicitations sent directly from Custodian or a transfer agent. Regardless of whether we receive a duplicate copy of these or any other correspondence relating to, e.g., the voting of Client securities, class action litigation, corporate actions, etc., we do not forward them to Clients.

We do not vote proxies on behalf of Clients, nor do we offer guidance on how to vote proxies. In addition, we do not offer guidance on any claims or potential claims in bankruptcy proceedings, class action securities litigation, or any other litigation or proceeding relating to securities held at any time in a Client account including, without limitation, filing proofs of claim or other documents related to such proceedings. We do not investigate, initiate, supervise, or monitor class actions or other litigation involving Client assets.

You maintain exclusive responsibility for directing the manner in which proxies are voted, as well as making all other elections relative to mergers, acquisitions, tender offers, or other legal matters or events pertaining to your holdings. You should consider contacting the issuer or its legal counsel for any specific questions regarding a proxy solicitation or corporate action.

Item 18 - Financial Information

We are not under any financial condition likely to impair our ability to meet contractual commitments to our advisory Clients.