

Ally Invest Advisors, Inc. (“AIA”) Form CRS – Conversation Starters



Given my financial situation, should I choose an investment advisory service? Why or why not?

For retail investors who prefer their investments to be professionally managed, we offer online discretionary investment advisory services exclusively through our web-based and mobile application platforms. Investors who open an advisory account with us typically pay an annual “wrap” fee, billed monthly in arrears, based on the value of assets in their accounts. The “wrap” fee you will pay is not based on the number of trades executed in your account.

Investments in your advisory account are not protected by the Federal Deposit Insurance Corporation (FDIC) and may lose value. All investments involve assuming the risk of losing the principal invested and, for certain investments, the risk that those losses may exceed the principal invested. The past performance of a security, industry, sector, market, or financial product does not guarantee future results or returns. Accordingly, you should understand these risks before choosing to invest in the

How will you choose investments to recommend to me?

During the account-opening process, we ask you to respond to a sequence of interactive questions that will provide us with information that is important to the development of your portfolio, including your investment time horizon, risk tolerance, financial goal and objective, and liquid net worth, among others. After responding to those online multiple-choice questions, you will receive a recommendation of an investment allocation we believe is appropriate for your investor profile. After your account is opened and your funds are invested, we will monitor your account and we may execute trades in your account on a discretionary basis on your behalf for several reasons, including, but not limited to: a) rebalancing your portfolio in case it diverges from your investment objectives based on the performance of underlying assets, (b) effectuating cash deposits and withdrawals, (c) generating cash to pay advisory fees due to us, and (d) changing the investment allocations underlying your portfolio.

What is your relevant experience, including your licenses, education and other qualifications?
What do these qualifications mean?

We are registered with the Securities and Exchange Commission (SEC) as an investment adviser, which qualifies us to provide discretionary investment advisory services to retail investors. Among other things, we are qualified to recommend an initial investment allocation based on the information you provide us and to manage the investments in your account on a discretionary basis in furtherance of your goals. Because we provide investment advisory services exclusively through our web-based platform, we do not designate retail investors’ accounts to be serviced by an individual investment adviser representative.

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

The fees and costs you pay depend upon the advisory program you select and the value of the assets in your account. If you invest \$10,000 in a Cash-Enhanced Managed Portfolio, you will not pay us an advisory fee. In a Cash-Enhanced Managed Portfolio, approximately 70% of the portfolio allocation is invested in recommended Exchange Traded Funds (“ETFs”) and approximately 30% of the portfolio allocation is cash. If you invest \$10,000 in a fully invested Managed Portfolio, you will pay an annual asset-based fee of 0.30%, or approximately \$30. In a fully invested Managed Portfolio, approximately 98% of the portfolio allocation is invested in the recommended ETFs and approximately 2% of the portfolio allocation is cash.

How might your conflicts of interest affect me, and how will you address them?

Our affiliated broker-dealer, Ally Invest Securities LLC (“Ally Invest Securities”), is compensated when it places orders on behalf of AIA that are executed through our unaffiliated custodian, Apex Clearing Corporation (“Apex”). Ally Invest Securities receives from Apex a per-share rebate – or “payment for order flow” – at the time an order is executed. Ally Invest Securities does not share such compensation with AIA.

Ally Invest Securities maintains a relationship with Apex Clearing Corporation (“Apex”), a clearing firm. Because Ally Invest Securities earns money from this relationship, we would like to ensure that you understand how those relationships may conflict with your interests. For example, Ally Invest Securities’ relationship with Apex may result in the unavailability to you of certain account features or benefits that may be offered by other clearing firms. An Ally Invest Securities client has the ability to self-direct his/her investments, elect to open a margin account, and has access to the Apex FDIC-Insured Sweep Program

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Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?
Who can I talk to if I have concerns about how this person is treating me?

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Please call our Customer Service Department at 1-855-880-2559, or email Support@invest.ally.com, if you have any questions or concerns about your account. which are account features not available to an AIA client.