

# Ally Invest Advisors, Inc. Form CRS - Customer Relationship



## Introduction

Ally Invest Advisors, Inc. (“AIA”, “we”, “our”, or “us”) is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides education materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

We offer online discretionary investment advisory services to retail investors exclusively through our web-based and mobile application platforms. Our investment advisory services are offered through our **wrap fee program**.

We offer a Cash-Enhanced Managed Portfolio, made up of cash or cash equivalents and Exchange Traded Funds (“ETFs”), and fully invested Managed Portfolios made up of ETFs with a smaller allocation of cash or cash equivalents. Investors can choose from Core, Income, Socially Responsible or Tax-Optimized investment models. For more information, please go to <https://www.ally.com/invest/managed-portfolios/>. To get started, you respond to a sequence of interactive questions that will provide us with the information upon which we will base your portfolio recommendation, 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 online a recommendation of an investment allocation that we believe is appropriate for your investor profile.

In order to open an investment advisory account with us, you must authorize us to exercise **discretionary** trading authority over your account. Once you select your portfolio model, AIA will exercise investment discretion and execute trades on your behalf for both (a) the initial allocation of investments in your selected portfolio, and (b) ongoing rebalancing. We monitor your account and may execute trades 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. We do not have the authority to remove funds or securities from your account, with the exception of withdrawing funds for the payment of our advisory fees which is accomplished by the introducing broker/dealer and or/the custodian of record.

For additional information, please see the AIA Wrap Fee Program Brochure: <https://www.ally.com/resources/pdf/invest/wrap-fee-pgrm-brochure.pdf>

**Conversation Starters:** For answers to the following questions, please see: <https://www.ally.com/resources/pdf/invest/aia-conversation-starters.pdf>

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

## What fees will I pay?

You will pay an annual **advisory fee based on the assets** in your account, billed monthly in arrears, according to the following table:

<b>Portfolio Type</b>	<b>Assets Under Management</b>	<b>Annual Fee</b>
Managed Portfolio	\$100.00 +	0.30%
Cash-Enhanced Managed Portfolio*	\$100.00 +	None

\* Cash-Enhanced Managed Portfolio are those portfolios which target a cash allocation of approximately 30%.

We are compensated based on the annualized **asset-based advisory fees** paid by AIA retail investors like you. The total costs associated with a **wrap fee program** account may be more or less than separately purchasing brokerage and advisory services. Factors that bear upon the costs of any **wrap fee program** include, among others, the number of and timing of transactions, portfolio management and custody fees, regulatory, compliance and administrative charges, research costs, promotional materials.

The more assets there are in your advisory account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account. Our wrap fee does not include underlying expenses of the ETFs in which you invest (“ETF Expenses”), which are paid by all investors in an ETF. ETF Expenses include underlying fund advisory fees and other fund service fees.

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You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

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- 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?

What are your legal obligations to me when providing recommendations?  
How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendation we provide you. Here are some examples to help you understand what this means:

- 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.
- Cash balances and any allocated cash funds held in your Ally Invest Securities account and managed by AIA earn interest, which is paid by Apex. Apex holds these funds at multiple banks including on deposit with Ally Bank (an affiliate of AIA), in an omnibus, or unsegregated, account. Ally Bank and Ally Invest Securities earn interest on the cash balances and Apex pays you interest on the cash balances.

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

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How does your financial professional make money?

Persons associated with AIA 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 of our financial professionals' compensation is based on individual performance (not related to assets under management gathered), business unit performance and performance of the firm.

Do you or your financial professionals have legal or disciplinary history?

Yes. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

Additional Information

For additional information about our services, please see: <https://www.ally.com/invest/managed-portfolios/>. If you would like additional, up-to-date information or a copy of this disclosure, please call 855-880-2559.

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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?