

# Altruist 408(b)(2) Disclosure



Altruist Financial LLC

## I. About the regulation:

In accordance with Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and its corresponding regulations, ERISA plan service providers, such as Altruist Financial LLC ("Altruist Financial") and Altruist LLC ("Altruist"), are required to describe the services they provided to ERISA plans and provide plan sponsors/fiduciaries with certain information about the fees they charge to the plans for such services, as well as any indirect compensation they and/or their affiliates receive in connection with the services provided to retirement plans governed by Title I of ERISA. You can access additional information about this disclosure by visiting the Department of Labor's Section 408(b)(2) Fact Sheet. We encourage you to review this with your plan advisor, legal and tax advisors, and/or plan administrator and keep a copy in your plan file.

Please note, however, that although we are providing you with disclosures regarding services available to ERISA retirement plans, actual compensation will be determined by the accounts, services and/or investments utilized by the plan. This is due to the fact that Section 408(b)(2) requires prospective disclosure when, in many instances, we do not know the specific services and investments that will be selected by you as plan fiduciary/sponsor or the underlying plan participants in the future. Your brokerage agreement(s) and/or advisory contract/agreement(s) provide more detail about the specific services/fees that apply to you. Please review those agreements for more information.

Please note that if your plan is not subject to Title I of ERISA, these disclosure requirements do not apply. ERISA, in general, applies only to qualified plans that cover one or more "common law" employees in addition to the owners of the business sponsoring the plan (or their spouses). If a retirement plan covers only owners of the business (where the owners and/or their spouses are the only participants in the plan), the plan is NOT generally subject to Title I of ERISA.

### Section 3(21) of ERISA and the regulations thereunder:

The disclosures herein describe services and products that Altruist Financial and Altruist may make available to your account. The products and services referenced herein may not be suitable for all clients or plans and may be subject to certain restrictions. This 408(b)(2) disclosure document is not intended as, and shall not be deemed to be, an offer, solicitation, or recommendation of any product, service, security, account type, or investment strategy. Moreover, the disclosures contained herein are intended to comply with the regulations under Section 408(b)(2) of ERISA and the guidance and interpretations thereof as of the date of this disclosure document. Nevertheless, certain services or transactions referenced or discussed herein or otherwise provided with respect to your account may not require an exemption or be covered by an exemption other than Section 408(b)(2) of ERISA. Altruist Financial and Altruist reserve the right to modify this disclosure document at any time, including conforming the disclosures herein to any subsequent related guidance or interpretation of the applicable regulations.

## II. About your account:

### A. Services provided and fees charged:

Your account is not subject to fees other than those charged to Altruist Financial brokerage accounts. Altruist Financial brokerage accounts receive standard Altruist Financial brokerage account maintenance services.

### B. Services provided to the plan:

The services provided by Altruist Financial to the plan may include the following:

- **Brokerage:** Altruist Financial will execute purchase and sale orders for securities on behalf of your account in accordance with your investment advisor ("Advisor's") instructions. Please review our Customer Relationship Summary available at [altruist.com/legal](http://altruist.com/legal) for more information.
- **Custody:** These Altruist Financial services generally include safekeeping of your assets, processing account transactions (such as receipts, disbursements, and trades), posting income to the account, and issuing periodic account statements.
- **Cash Management:** You can earn interest with your uninvested cash at Altruist Financial. If you opt into our FDIC Bank Sweep Program, available cash is swept to a participating bank.
- **Prospectus Delivery and Customer Communications:** Altruist Financial utilizes third-party vendors to provide their clients with copies of prospectuses and other shareholder communications relating to their investments in Altruist Financial brokerage accounts. These vendors are not parties to any agreements between Altruist Financial and its customers.
- **No Plan Recordkeeping:** Our services do not include recordkeeping. Recordkeeping is referred to herein as the records for the individual participant accounts within a plan, such as contribution, investment, distribution activity, beneficiary information, and vested status.

For further information about our services, please review the Customer Relationship Summary and the Altruist Financial LLC Customer Agreement, both available at [altruist.com/legal](http://altruist.com/legal).

**C. Services provided by outside vendors, including your investment advisor:**

Your plan may also receive services from other service providers, such as a third-party administrator, recordkeeper, Advisor, or investment consultant, none of which are included in this disclosure document. For service fees and other related fees and expenses associated with the services provided by other service providers, please refer to the disclosure documents provided by that service provider or contact them directly.

**D. Fiduciary status:**

Altruist Financial, Altruist, and its affiliates do not provide investment advice, tax advice, or legal advice regarding a plan. Altruist Financial, Altruist, and its affiliates are not "fiduciaries" as this term is defined under ERISA. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

**E. Direct compensation:** Please refer to the Altruist Financial LLC Fee Schedule at [altruist.com/legal](http://altruist.com/legal) for details related to fees charged to each account by Altruist Financial.

**Trading:** Altruist Financial does not charge a fee to buy or sell US-listed stocks, ETFs, or No Transaction Fee mutual funds. Altruist Financial does charge a fee for fixed-income trades and other mutual fund transactions. Additional regulatory and exchange fees also apply depending on the transaction, as noted in the above fee schedule. The amount of commission charged on any particular trade is disclosed on your trade confirmation and account statement.

In addition to the fees described above, Altruist Financial may also receive direct compensation in the form of sales loads for the purchase and sale of certain mutual fund shares purchased for the plan. The rates of these sales loads, if applicable, are specified in the mutual fund's prospectus. A front-end sales load or commission reduces the amount available to purchase fund shares; a majority or the entire sales load listed in the fund's prospectus goes to Altruist Financial for selling the shares. Sales loads can be as high as 5.75% of the transaction amount. For more information regarding these fees, please see the fund's current prospectus.

**Cash Management:** Altruist Financial charges fees for certain types of cash transactions, such as sending a wire transfer or a check.

**Retirement Account Fees:** Altruist Financial charges a retirement account closure fee in the amount of \$25.00.

**Model Marketplace Fees:** Altruist LLC, an SEC-registered investment adviser and affiliate of Altruist Financial, provides Advisors with optional access to use Model Portfolios as part of its Model Marketplace. Based on the selection by the Advisor on behalf of the client account of a Model Portfolio, Altruist charges a fee to each Advisor that is paid on a pro-rata annualized basis monthly in arrears based on the value of the assets subscribed to a Model Portfolio in an account on the last day of the previous month. Fees are generally based on a percentage of the market value of the assets in the account. Altruist's fee may range from 0% to 1%. Altruist will instruct Altruist Financial to deduct Altruist's fees from the Advisor's fee (house) account at Altruist Financial, or if the Advisor instructs, from client accounts. Separately, Advisors may charge their clients an advisory fee for their services, which is separate from the fee charged by Altruist to the Advisor for use of the Model Marketplace. Any fee(s) charged by the Advisor are not set or supervised by Altruist, Altruist Financial, or its affiliates. For a full list of Model Marketplace fees, please refer to the Altruist LLC Fee Schedule available at [altruist.com/legal](http://altruist.com/legal).

**F. Indirect compensation:** Altruist Financial and Altruist receive compensation from sources other than directly from your Altruist Financial brokerage account in connection with the services provided by Altruist Financial and Altruist. Such sources of indirect compensation include:

**Mutual fund investments:** Altruist Financial has contracted to receive other compensation in connection with the purchase and/or the ongoing maintenance of positions in certain mutual fund shares in your brokerage account. This additional compensation may be paid by the mutual fund, its investment adviser, or one of its affiliates. The types of compensation are as follows:

- 1. Rule 12(b)-1 Plan fees:** A mutual fund may have adopted a Rule 12b-1 Plan. Under the terms of the plan, fees are charged against the assets of the mutual fund on a continuing basis to compensate broker-dealers, such as Altruist Financial, for providing certain distribution and shareholder services. These fees, if applicable, are described in the mutual fund's prospectus on the Fee Table under "annual fund operating expenses" and generally range from 0 to 1% per annum of the investment. Altruist Financial generally receives between 0.1% and 0.25% per annum.
- 2. Administrative/Shareholder servicing/Networking fees:** Altruist Financial and/or its affiliates receive compensation from most funds or their affiliated service providers for providing recordkeeping and related services to the funds. For these services, funds pay between 0.1% to 0.4% on fund assets held by our clients.

**Cash management options:** Altruist Financial has contracted to receive certain compensation in connection with the investment choices offered for cash management for your account. If your account is enrolled in our FDIC Bank Sweep Program, Altruist Financial receives payment from each Program Bank in connection with its participation in and operation of the Program. Altruist Financial's payment from the Program Banks, which is a portion of the interest earned on the deposit amounts under the Program held at the Program Bank, represents compensation for services provided to you and other customers in connection with the FDIC Bank Sweep Program, which you authorize to be directly remitted to us on your behalf. This payment is typically based on the average aggregate amount of funds held under the Program at each Program Bank and the current interest rate environment. The payment to Altruist Financial by one Program Bank may differ from the payment of another Program Bank, even if the deposit amounts are identical. Altruist Financial may pay to its administrator or third party an amount for facilitating the operations of the

Program, which may be a portion of the payment made to Altruist Financial by the Program Banks.

Alternatively, you may direct that we leave cash awaiting investment in your account as a "Free Credit Balance." Altruist Financial may use and earn income on Free Credit Balances, as permitted by law, and is not required to pay interest on such balances.

**Float income:** In general, under ERISA, a service provider may retain the benefit of the use of any funds on hand that are incidental to the normal operation of the plan and that constitute earnings on funds that are (i) awaiting investment or (ii) transferred to a disbursement account for distribution from the plan. Altruist Financial may derive benefit from float in connection with providing services to your plan under certain circumstances. Float may be earned by Altruist Financial until investment or disbursement instructions have been received and the transactions have been executed and settled against your account. In the case of amounts transferred to a disbursement account, float may be earned until the time a check is presented for payment. In general, the amount of float earned is equivalent to the effective Federal Funds rate on the date earned.

**Payment for order flow:** Altruist Financial receives compensation in connection with routing orders to the marketplace for execution, subject to its obligations to seek best execution. Such compensation may be received from unaffiliated broker-dealers or from securities exchanges. In all cases, Altruist Financial seeks best execution in routing orders. For a description of the compensation earned by Altruist Financial in connection with routing orders, and Altruist Financial's procedures in routing orders, please refer to Order Routing Disclosures (Rules 606 & 607) available at [altruist.com/legal](http://altruist.com/legal).

**Model Marketplace:** Providers in the Model Marketplace may, at their discretion, provide payments directly to Altruist, which may reduce the fees charged to an Advisor for the Model Marketplace.

**Gifts, gratuities, and non-monetary compensation:** From time to time, employees of Altruist Financial acting as either a representative of the broker-dealer, may receive compensation such as gifts, sponsorships, subsidized conference costs, and entertainment from vendors with whom they may engage in business dealings on behalf of clients, including ERISA plans. However, given the nature of Altruist Financial's businesses, Altruist Financial reasonably believes that any such gifts, sponsorships, and entertainment received by its ("or its affiliates") employees are received in the context of a general business relationship and should not be viewed as attributable or allocable to any transactions engaged in on behalf of their clients, including ERISA plans. Altruist Financial has policies and procedures relating to gifts and entertainment activities in response to numerous laws and regulations.