

# Form CRS Customer Relationship Summary



Altruist Financial LLC and Altruist LLC  
June 3, 2024

## Introduction

Altruist Financial LLC ("BD") is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and is a member of Financial Industry Regulatory Authority Inc. and Securities Investor Protection Corporation. Altruist LLC ("RIA") is registered with the SEC as an investment adviser. Altruist Financial LLC and Altruist LLC are wholly owned by Altruist Corp ("Parent"), a privately held Delaware corporation which is not registered with a financial industry regulator and which doesn't offer investment products or services. 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 [investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

The BD offers brokerage services to retail investors who open accounts with the BD that are managed or advised by unaffiliated third-party registered investment advisers ("Advisers"). The BD only effects securities trades on an agency basis (that is, when the BD is a go-between between the retail investor and the purchaser or seller of securities). The BD does not make investment recommendations to retail investors, have discretionary investment authority over the accounts of retail investors or monitor their investments. The BD offers a variety of equities, ETFs, mutual funds, and will add other securities over time, and does not offer any proprietary products. The BD does not require minimum balances to open or maintain accounts.

The RIA offers investment advisory services to Advisers to help them advise their retail investor customers. Services include making available model portfolios ("Altruist Portfolios") through the RIA's Model Marketplace, which entails model portfolio construction, rebalancing, a tax management tool and administration for a variety of model portfolios that are based on market sectors, risk profiles and other factors. These Altruist Portfolios generally are not actively traded, but are subject to changes in their holdings based on determinations made by the RIA at regular or irregular intervals. Advisers can set the Altruist Portfolios to be rebalanced automatically when they drift away from their target allocations.

By offering Altruist Portfolios, the RIA is offering investment advice to Advisers through its web-based platform. The RIA does not offer personalized investment advice to Advisers or any kind of investment advice, including account monitoring, to retail investors. The RIA conducts monitoring of its model portfolio algorithms and rebalancing processes to ensure that Altruist Portfolios are invested according to their allocations. The RIA also makes available through its Model Marketplace various third-party portfolios ("Third-Party Portfolios"), which are licensed from unaffiliated model providers. The RIA determines the allocations of the Altruist Portfolios, but not the Third-Party Portfolios. The RIA also allows Advisers to create custom model portfolios, and makes tax management features or tools available to Advisers for use with Altruist Portfolios, Third-Party Portfolios, and custom model portfolios. The RIA does not have investment discretionary authority over retail investors' brokerage accounts or which Altruist Portfolios, Third-Party Portfolios, portfolio settings (including tax management features, tools and settings) are chosen by the Advisers for their retail investor customers, or over any other securities transactions in the brokerage accounts of these retail investor customers. The Adviser or their retail investor customers make the ultimate investment decisions with respect to transactions in retail investor customers' brokerage accounts. The RIA generally does not require minimum balances to open or maintain accounts. However, the Strategist model portfolio series has a minimum investment which starts at \$2,000 and varies depending on the equity allocation of the model portfolio. The Strategist Direct Index, when used as a standalone strategy (via Unified Managed Accounts) has a \$1,200 investment minimum. Retail investors should ask their Adviser to refer to the Strategist fact sheet found on the Model Marketplace for more details on minimums. Separately Managed Account ("SMA") model portfolios have minimums starting at \$1,000. The RIA reserves the right to impose minimum account sizes or values in the future at its discretion.

**For additional information**, please see our agreements and disclosures, including our Form ADV Part 2A, at [altruist.com/legal](https://altruist.com/legal).

**Conversation Starters.** Ask your financial professional—

- Given my financial situation, should I choose a brokerage service? Why or why not?
- 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?

Though the BD does not charge commissions or fees for securities transactions involving stocks and ETFs, the BD charges commissions or fees for some other security types, including some mutual funds and fixed income securities (i.e., bonds). For securities for which commissions or other charges apply, a retail investor will be charged more when there are more trades in his or her account, and this creates an incentive to encourage a retail investor or their Adviser to trade often. Additionally, the BD charges fees for certain types of transfers (i.e. ACATs and more), wire transfers, check or wire returns, physical copies of statements, broker assisted phone orders, and other occasional events related to your account. If you have an IRA, there is a fee if you close the account. There are also some underlying fees assessed by regulators. Processing and service fees assessed by third parties may be passed through to your account, and in some cases will be marked

up, including to cover some of the BD's overhead cost of processing these.

The RIA charges your Adviser a Model Marketplace Fee if you are invested in an Altruist Portfolio or a Third-Party Portfolio, and charges your Adviser a Tax Management Fee if tax management features or tools are used for your account. These Model Marketplace or Tax Management fees are generally based on a percentage of the market value either of the assets in your account that are invested in an Altruist Portfolio or a Third-Party Portfolio, or of the assets in an Adviser-created custom model portfolio for which tax management features or tools are being used. The fees each range from 0% to 1% per year. Because the Model Marketplace Fee covers some types of securities transactions, it is higher than investment advisory fees that do not cover transaction execution costs. Both fees are charged on a pro-rata annualized basis monthly in arrears (at the start of the next month) based on the average daily value of your account. While these fees are incurred by your Adviser, your Adviser may pass these fees on to you based on your agreements with your Adviser. Ask your Adviser if they will pay these fees or pass them to your account.

Some securities in which you may invest - whether bought individually or which are contained within Altruist Portfolios or Third-Party Portfolios - have underlying fees and costs as well. For instance, if you invest in mutual funds, they have certain management, distribution or other fees and expenses to which you are subject as an investor but which reduce the value of those investments. Other securities such as exchange-traded funds (ETFs) also have expenses, though these are often less than the expenses of mutual funds.

It is your responsibility to ask your Adviser, the BD or the RIA if any additional fees and expenses may apply to any transaction or event you wish to take place with respect to your account. Your Adviser charges you fees and expenses separately for their services to you, and you should inquire with them as to what their fees are. You should also discuss with them all fees and expenses that are applicable to your account and transactions, the amounts of the fees, and which fees and expenses come from the BD, the RIA, the Adviser, or the issuers of the securities.

**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.**

For additional information, please see our Fee Schedules available at [altruist.com/legal](http://altruist.com/legal).

**Conversation Starter.** Ask your financial professional—

- 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 as my broker-dealer or when acting as an investment adviser? How else does your firm make money and what conflicts of interest do you have? The BD does not provide recommendations. When the RIA acts as an investment adviser, it has to act in your Adviser's and your best interest and not put its interest ahead of your Adviser's or yours. At the same time, the way the BD and RIA make money creates some conflicts with your interests. You should understand and ask us about these conflicts. Here are some examples to help you understand what this means:

The BD earns revenue from transaction-based charges on some types of securities transactions, payment for order flow, fees from marketing and distribution of mutual funds, interest on customer account uninvested cash balances, revenue from a security lending program which you may opt in or out of, markups of third-party charges, and other means with respect to customer accounts. This can present a conflict of interest because the BD has an incentive to have you keep your account open, effect trades, maintain a large balance, and generally keep your account active.

The RIA will receive more fees from your Adviser or you when you invest more funds into an Altruist Portfolio or a Third-Party Portfolio, or into a model portfolio created by your Adviser and for which tax management features or tools are being used. Therefore, it has an incentive to encourage you to increase the funds you have invested in an Altruist Portfolio, a Third-Party Portfolio, or a custom model portfolio with tax management features or tools in use.

The RIA also offers a matching program to provide you with a list of Advisers who have a business relationship with the BD, the Parent, and the RIA. If you choose an Adviser from that list, then the BD will earn revenue from your account, the Parent Company will be paid fees by the Adviser to use the platform, and the RIA stands to be paid more fees from your Adviser or you the more you invest, directly through the Model Marketplace Fee and/or Tax Management Fee. Therefore, the BD, Parent, and RIA have an incentive to recommend Advisers to you. For additional information about the RIA's conflicts of interest when providing advisory services, please see its advisory program brochures, available at [adviserinfo.sec.gov/firm/summary/299398](http://adviserinfo.sec.gov/firm/summary/299398).

**Conversation Starter.** Ask your financial professional—

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

For additional information, please see our agreements and disclosures at [altruist.com/legal](http://altruist.com/legal).

### How do your financial professionals make money?

The BD's and RIA's financial professionals are compensated in the form of salaries, hourly wages, and/or employee stock options. They are not compensated based on the amount of customer assets they service, the time and complexity required to meet a customer's needs, the products sold, product sales commissions, or revenue the BD or RIA earn from their financial professionals' services. Any of these could present conflicts of interest.

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

Yes. You may visit [Investor.gov/CRS](http://Investor.gov/CRS) or [brokercheck.finra.org](http://brokercheck.finra.org) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional—

- As a financial professional, do you have any disciplinary history? For what type of conduct?

#### **Additional Information**

*For additional information about our services*, visit [altruist.com](http://altruist.com) or for our agreements and disclosures, visit [altruist.com/legal](http://altruist.com/legal). If you would like additional, up-to-date information or a copy of this disclosure, please call (888) 510-4660 or email [support@altruist.com](mailto:support@altruist.com).

**Conversation Starter.** Ask your financial professional—

- 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?