Altruist LLC TaxIQ and Rebalancer Disclosures

Altruist Financial LLC
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1. General

Altruist LLC ("Altruist") offers registered investment advisers ("Advisors") using the Altruist platform a suite of tax management tools ("Altruist TaxIQ Tools" or "TaxIQ Tools") including "Tax Sensitivity" (which offers gain deferrals and wash sale awareness) and "Tax Loss Harvesting" (or "TLH"), which, taken together, Advisors can use to provide tax management services to their clients. Tax IQ Tools are available to Advisors through Altruist's rebalancing software which enables automated rebalancing of a client portfolio to a target model portfolio ("Rebalancer"). The Altruist TaxIQ Tools are intended for Advisor use only and Advisors are solely responsible for determining the tax management services they deem appropriate for their clients. The Altruist TaxIQ Tools are provided to Advisors subject to the terms of the Model Marketplace Agreement between Altruist and Advisor (the "Agreement"). These disclosures supplement the Agreement, however, if there is a conflict between these disclosures and the Agreement, the Agreement will control. Terms not otherwise defined in these disclosures have the meaning given to them in the Agreement.

Altruist does not provide tax or legal advice. Advisors should advise their clients to consult their own attorneys or tax advisors regarding the clients' own circumstances, including the potential impact of the Altruist TaxIQ Tools.

Subject to the terms of the Agreement, Altruist is not responsible for how transactions conducted in Advisor's clients' accounts are reported to the U.S. Internal Revenue Service or any other tax authority. Advisor is solely responsible for compliance with all applicable law, including its responsibility to make all necessary disclosures to clients relating to the Altruist TaxIQ tools. Further, Advisors are responsible for understanding the TaxIQ Tools and their limitations. TaxIQ Tools only consider the specific account(s) for which the features are enabled. Advisor is responsible for enabling the tools for any account(s) for which the Advisor deems the TaxIQ Tools to be appropriate.

2. Fees

Advisors should consider the fees associated with trading certain securities (e.g., mutual funds, fixed income and other investment vehicles) in determining whether the use of TaxIQ Tools is suitable for client accounts. See the Altruist Financial LLC Fee Schedule on altruist.com/legal for detailed transaction fee information.

TaxIQ Tool Fees are included in Altruist's Model Marketplace Fee for Model Marketplace model portfolios that are charged this fee. TaxIQ Tool fees will be assessed for use in no-fee marketplace models and portfolios (including those in Unified Managed Accounts), in advisor-created Custom Portfolios, and in the portion of any Unified Managed Accounts that is custom built by an advisor. For more information on the TaxIQ Tool Fees and Model Marketplace Fees see the Altruist LLC Fee Schedule, which can be found on altruist.com/legal.

3. Account-Specific Considerations

In the case where multiple accounts belonging to the same client have TaxIQ Tools enabled, the tools take into account the positions, transactions and features on an account-by-account basis without regard to other accounts unless the Advisor enables cross account wash sale awareness (see Section 4.2 "*Cross Account Wash Sale Awareness" below* for more information). Positions, transactions, and their potential impact on other accounts are not considered, regardless of whether TaxIQ Tools are enabled for such other accounts. TaxIQ Tools do not take positions or transactions from accounts that are

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not held at Altruist Financial LLC into consideration. If client accounts have overlapping exposure to the same security, this may negatively impact the effectiveness of the TaxIQ Tools. Activity in a specific security in one account will not consider the holdings or transactions in the same security in other accounts. This may result in wash sales when the same security is held in multiple accounts. In addition, by default TaxIQ Tools do not consider holdings or transactions of other beneficial parties or household members (e.g., a spouse), which could also lead to wash sales. A wash sale occurs when a taxpayer sells a security at a loss and then purchases the same security or a substantially similar security over a period of 61 days: the day of the sale, the 30 days before the sale, and the 30 days after the sale, even if the securities are sold and then bought in different accounts. If a wash sale occurs, the Internal Revenue Service may disallow or defer the loss for current tax reporting purposes. Thus, certain sales can diminish the effectiveness of TLH, as further described below, by deferring to a future year a tax loss that could have been used to offset income or capital gains in the current year.

4. Tax Loss Harvesting

TLH aims to help manage client's tax exposure while retaining the target risk and return profile of the portfolio. It does so by selling securities at a loss to realize capital losses and offset taxes on gains and income. The proceeds from the sale resulting in the capital loss are then reinvested. However, TLH may cause holdings to deviate from portfolio target weights and hence increase tracking error to the target portfolio. TLH may also cause positions to drift beyond the drift threshold established for a portfolio. Moreover, the performance of new securities purchased through TLH may be better or worse than the performance of the securities that are sold for TLH purposes.

TaxIQ Tools and other Rebalancer settings or customizations may cause portfolio holdings to deviate from portfolio target weights beyond drift thresholds applied to the portfolio, especially in situations where these tools, settings, or customizations restrict the purchase or sale of securities.

In certain cases, including certain portfolio configurations, TaxIQ Tools, including TLH, may be less effective or not effect changes to the portfolio at all as compared to other portfolio configurations. For example, if a portfolio has 0% or low drift tolerance, TaxIQ Tools in general may be less effective in achieving changes in the portfolio, including harvesting losses. In this case, TaxIQ Tools and specifically TLH effectiveness will be limited, compared to if the features were not enabled.

For portfolios including funds (e.g., mutual funds or ETFs), TLH effectiveness may be limited if few or no fund substitutes are selected, as compared to a similar portfolio where fund substitutes have been selected for all eligible positions. For example, for a position at a loss that has a named fund substitute, TLH can potentially fully liquidate holdings in the position and realize the full value of the loss, and then seek to allocate some or all of the proceeds of the sale to the named substitute. If no fund substitute is selected, sales of the position can be limited by portfolio drift settings and a full liquidation may not occur.

Altruist does not make determinations about the appropriateness of fund substitutes used in third-party provided or Advisor-constructed models for TLH, wash sale awareness, or for other purposes.

Automated rebalancing, including TaxIQ Tools, does not trade unsettled positions.

Automated rebalancing, including the use of TaxIQ Tools, will not occur if an account has a negative cash balance.

4.1. Wash Sale Awareness

The TLH and Tax Sensitivity algorithms are designed to reduce the potential for wash sales, but are not designed to constitute, and do not, provide comprehensive tax advice to clients. Advisors are solely responsible for the determination of whether, and when, to enable these features in their clients' accounts, as well as any tax consequences arising from any transaction associated with these features.

Wash sale awareness (or "wash sale sensitivity"), including wash sale awareness related to TLH, may cause portfolio holdings to deviate from portfolio target weights beyond drift thresholds that were set on the portfolio.

4.2. *Cross Account Wash Sale Awareness*

Advisors have the option to enable cross account wash sale awareness (or "cross account wash sale sensitivity"), which is designed to help reduce the likelihood of wash sales across multiple accounts. This functionality is not intended to provide, and does not constitute, comprehensive tax advice to clients. Cross account wash sale awareness only considers the accounts that the Advisor includes in a designated group (the "Wash Sale Group"). Altruist does not identify which accounts should be grouped into a Wash Sale Group, and does not monitor for potential wash sales across accounts outside the group. There is no guarantee that all cross account wash sales will be prevented by inclusion of accounts in a Wash Sale Group.

It is solely the Advisor's responsibility to determine which of a Client's accounts should be included in the group for cross account wash sale awareness. Accounts held outside of Altruist, and those held at Altruist but not included in the group, may still result in wash sales. Altruist is not responsible for wash sales that occur despite the use of cross account wash sale awareness.

The effectiveness of cross account wash sale awareness functionality may be impacted by various factors, including but not limited to: (1) account settings, (2) participation in dividend reinvestment plans (DRIPs), (3) manual trading activity (e.g., via the trade drawer or file upload), and (4) advisor-initiated instructions (e.g., cash set-aside requests). Advisors are encouraged to review the available educational resources to gain a clear understanding of how cross account wash sale awareness works, and its limitations.

Please note that this feature, as well as wash sale awareness related to tax-loss harvesting (TLH), may cause portfolio holdings to deviate from target allocations beyond the portfolio's set drift thresholds.

4.3. *Missing Cost Basis and Other Information*

When assets are transferred to Altruist, cost basis information may be missing for the following reasons: 1) your previous firm fails to provide Altruist with the cost basis information for the transferred securities, or 2) the transferred securities are noncovered. If the cost basis information is missing due to an asset transfer to Altruist, rebalancing will be suspended for the first two (2) business days after the securities are transferred to Altruist. However, if the cost basis information is missing due to the asset transfer for more than two (2) business days, then most securities will be assigned a "$0" cost basis in Altruist's system. The functionality of any Altruist features that rely on cost basis information, including but not limited to Rebalancing, TLH, and Tax Sensitivity, are impacted when your account contains securities with unavailable, inaccurate, or assumed cost basis information. This impact may result in suboptimal performance of these features leading to missed opportunities to affect an individual's tax liability.

For assets transferred which are missing the original purchase date due to incomplete data that Altruist receives, Altruist or its designated vendor will automatically assign a purchase date, but the assigned purchase date will be recorded as the date of transfer which may differ from the original purchase date. The functionality of any Altruist features that rely on purchase date information, including but not limited to Rebalancing, TLH, and Tax Sensitivity, are impacted when your account contains securities with unavailable, inaccurate, or assumed purchase date information.

For securities with missing cost basis information unrelated to an asset transfer as outlined previously, Altruist's system may assign an assumed cost basis of "$0". For Money Market Mutual Funds, Altruist's system will assign an assumed cost basis of $1/share. The functionality of any Altruist features that rely on cost basis information, including but not limited to Rebalancing, TLH, and Tax Sensitivity, are impacted when your account contains securities with unavailable, inaccurate, or assumed cost basis information.

In some cases, accounts may be suspended from rebalancing if certain information is deemed to be not in good order.

5. Rebalancing

Advisors establish the rebalancing method used in the account as event-based, drift-based, or manual. When event-based or drift-based rebalancing methods are utilized in the account, TLH will only occur when a rebalance trigger occurs – e.g., specific events for event-based rebalancing, or drift that exceeds drift thresholds for drift-based rebalancing – and not necessarily when TLH opportunities are available unless Advisors enable a proactive daily scan for TLH opportunities ("Daily Scan"). The Daily Scan functionality allows the rebalancer to evaluate accounts daily for potential tax-loss harvesting. When enabled, Daily Scan will generally initiate a rebalance if the rebalancer identifies losses of at least $100 or 1% of the account's assets under management (AUM) without any offsetting net gains. Advisors should consider that Daily Scan may cause accounts to rebalance more frequently. Daily Scan can be used alongside either event-based or drift-based rebalancing methods. Enabling the Daily Scan feature does not guarantee that an account will rebalance each time a TLH opportunity is detected and does not imply that an account will rebalance daily.

Instead of event- or drift-based rebalancing, advisors also have the option to set up manual rebalancing in the account. Manual rebalancing allows an Advisor to assign a portfolio to the account but only have the account rebalance upon request. TLH will only occur in accounts utilizing manual rebalance when a rebalance is requested by the Advisor.

If an account is suspended, the account will not rebalance regardless of the rebalance method or available TLH opportunities.

System constraints, such as minimum trade sizes and minimum fractional share quantities, may impact rebalancing behavior. These effects are influenced by various factors, including account size, number of positions, portfolio weights, and the prices of individual securities. Currently, rebalancing proposals are not generated for accounts with less than $10 in assets under management (AUM). For accounts above this threshold, these constraints may lead to increased tracking error relative to portfolio targets or reduced effectiveness of TLH. It is the responsibility of the Advisor to evaluate whether the resulting rebalancing behavior is appropriate for each account.

5.1. *Advisor Responsibilities*

Subject to the terms of the Agreement, Advisors are solely responsible for monitoring client accounts to ensure Rebalancer settings and TaxIQ Tools settings are operating as the Advisors intend them to operate. Advisors are solely responsible for determining whether TaxIQ Tools are suitable given their client's financial circumstances and investment objectives and using them, in accordance with the Advisor's fiduciary obligations. For example, TaxIQ Tools may not be not suitable for all investors including, but not limited to, (1) those in relatively low income tax brackets, and especially those who are expected to be subject to higher tax rates in the future, (2) those who are planning to withdraw a large portion of their taxable assets within the next 12 months, (3) those who trade (or whose spouses trade) securities in their client account (or substantially identical securities) in external accounts, including joint accounts, and (4) those who can currently realize capital gains at a 0% tax rate. Other issues may exist that could materially impact the utility of TaxIQ Tools for any individual investor, which the Advisor should consider initially and on an on-going basis. Advisors are solely responsible for providing all necessary disclosures to clients including disclosing the use of TaxIQ Tools and Rebalancer in connection with the management of client accounts. When using TaxIQ Tools, Advisors must also ensure all cost basis data is accurate in accounts for which TaxIQ Tools are enabled.

5.2. Automated Rebalancing

Automated rebalancing, including TaxIQ Tools, may be suspended in certain cases, including but not limited to the following:

- Unknown securities
- Corporate actions
- Outgoing ACATs

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- Upcoming/anticipated money movements
- Rebalance proposals invalidated by changes to models, portfolios, account settings, etc.
- Pending transactions
- Unavailability or inaccuracy of data required for rebalancing and/or tax management

If automated rebalancing is suspended, TaxIQ Tools will also be suspended. Altruist makes available to Advisors a report designed to help identify and resolve Rebalancer suspensions. More details on suspensions and related reporting can be found at our Suspensions Knowledge Base Article for Advisors.

5.3. Rebalancing Models

Certain instructions from model providers who are providing models to the Altruist Model Marketplace may not be executed based on system limitations, including securities that are not available to trade on the Altruist platform, rebalancing instructions that are not supported by the Rebalancer, and trades that are below supported minimum trade sizes.

Performance of individual accounts assigned to a model portfolio may deviate from the target model performance as a result of a number of factors, including Rebalancer settings, timing and amount of cash flows, and system limitations that impact execution of model provider instructions.

Proposals are generated using the security's price as of the previous day's close, which can cause suboptimal performance of the Rebalancer and TaxIQ tools. Suboptimal performance may include, but is not limited to, certain transactions that fall outside of the established criteria occurring as well as certain transactions that should occur based on the established criteria not occurring. In the case of extreme market movements, Rebalancer and Tax IQ proposals may not take full market movements into account. For Reblancer proposals, Altruist will generally reevaluate buying power based on updated pricing and adjust purchase amounts within the proposal according to changes in the security's market price.

6. Capital Gains Budget

Advisors who utilize TaxIQ Tools have the option to establish a capital gains budget ("Gains Budget") which has the ability to help limit the amount of short term and/or long term capital gains that are realized through the Rebalancer in a calendar year. The Rebalancer operates with a heightened awareness of gains when a Gains Budget is in place compared to when there is no Gains Budget established. There is no default setting to allocate the Gains Budget. Advisors can choose to allocate the Gains Budget on either a monthly, quarterly, semi-annual, or annual basis. Consumption of the Gains Budget is calculated daily and the Rebalancer adjusts accordingly. Certain account actions that an Advisor may take, such as raise cash requests, may impact the Gains Budget and cause the realized short term and/or long term capital gains to exceed the established Gains Budget. In addition, the Gains Budget may be exceeded in certain circumstances which could include, but is not limited to, market movements that take place between the Rebalancer's estimated calculations and the execution of the trades. When the Gains Budget is reached, including the allocated Gains Budget for a specific period as established by the Advisor, the Rebalancer's activity is minimized but may still occur in some cases including tax loss harvesting, net zero rebalancing, or raising cash. Incorrect, incomplete, and/ or missing cost basis information can lead to inaccuracies in the Gains Budget consumption calculations and result in more or less gains being realized by the Reblancer. Advisors are responsible for ensuring that any established Gains Budget, including the allocation period, is appropriate for their individual Clients. Additionally, Advisors are responsible for ensuring that the Gains Budget is operating as they intended.Tax Implications & Legal Disclosures

Tax laws and regulations are complex and subject to change, which can materially impact investment results. Altruist believes the information provided herein is accurate but does not guarantee that the information herein is accurate, complete, or timely. Altruist makes no warranties with regard to such information or results obtained by its use, and, subject to the terms of the Agreement, disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. (Nothing contained in these disclosures shall constitute a waiver by Advisor of any of its legal rights under applicable U.S.

Federal Securities Laws or any other laws whose applicability is not permitted to be contractually waived, including without limitation Altruist's fiduciary duty.)