

Altruist TaxIQ Tools and Rebalancer Disclosures

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.

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 circumstance, including the potential impact of the Altruist TaxIQ Tools.

Advisors are responsible for understanding the TaxIQ Tools and their limitations. TaxIQ Tools only consider the specific account 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.

In the case where multiple accounts 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. Positions, transactions, and their potential impact

on other accounts are not considered, regardless of whether TaxIQ Tools are enabled for such other accounts. 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. TaxIQ Tools do not consider holdings or transactions of other beneficial parties or household members (e.g., a spouse).

TaxIQ Tools do not take positions or transactions from accounts held away from Altruist Financial LLC into consideration.

TLH may cause holdings to deviate from portfolio target weights and increase tracking error to the target portfolio. TLH may cause positions to drift beyond the drift threshold established for a portfolio.

Wash sale awareness, particularly 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.

Taxable gain deferral related to Altruist TaxIQ Tools may cause portfolios to deviate from their target weight by more than if the feature were not enabled.

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. This is particularly true of wash-sale awareness.

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 and specifically TLH 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, as compared to if the features were not enabled.

For portfolios with funds (e.g., mutual funds or ETFs), TLH effectiveness may be more 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.

For accounts with TaxIQ Tools enabled, rebalancing, including TaxIQ Tools, is suspended when cost basis, positions, or cash balances are missing or otherwise not in good order for the account.

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

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

When event-based or drift-based rebalancing methods are selected, TLH only occurs 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.

Advisors are solely responsible to monitor 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. 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.

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

- Unknown securities
- Corporate actions
- Outgoing ACATs
- 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. More details on suspensions can be found at our [Suspensions Knowledge Base Article for Advisors](#).

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.

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 disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Advisors are solely responsible for monitoring client accounts to ensure TaxIQ Tools and settings are operating as intended. Neither Altruist nor its affiliates provide tax or legal advice or discretionary management of customer accounts. Customers are encouraged to consult their attorney, tax professional and/or investment advisor regarding their individual circumstance.