

# Client Relationship Summary

# Managed Portfolios



July 2, 2024

Axos Invest, Inc. ("Axos Invest") 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 to understand the differences. This Client Relationship Summary provides details about our advisory services, fees, and other important information.

Free and simple tools are available for investors to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS). Here, you can also find educational materials about broker-dealers, investment advisers, and investing.

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

Axos Invest offers investment advisory services to retail investors through our online investment account setup process. Through Axos Invest, you can deposit funds into your investment account. Once deposited, Axos Invest uses a trading algorithm to assist you in reaching a financial goal. Depending on your selection, Axos Invest or you will decide which investments to construct your portfolio. Once constructed, Axos Invest will purchase, sell, and rebalance your portfolio on your behalf. Axos Invest only uses exchange-traded funds in its portfolios.

There is a minimum of \$1,000 to open an investment account. When you open your account, you provide Axos Invest with limited discretionary authority on your account. While you can select the asset mix for your portfolio, or how much and when to deposit or disburse funds, Axos Invest, may place trade orders on your behalf without notice to you to purchase, sell, and rebalance your investment portfolio at any time. Additionally, Axos Invest will process any instruction from any client to rebalance their investment portfolio. Upon account opening, the Firm will use its automated advisory service to manage the selected portfolio allocation and monitor the account to help achieve the client's specific investment goal. The Firm also monitors for tax-loss harvesting in the Client's investment portfolio. Investment advisory services are provided through our affiliated broker-dealer, Axos Invest LLC typically for a fee, and documents describing these advisory services can be found at <https://www.axos.com/invest>, including Axos Invest LLC's client relationship summary.

Please see our Form ADV Part 2A Brochure, Item 4-Advisory Business, to review a detailed description of our advisory services: [Axos Invest Part 2A of Form ADV](#).

## What fees will I pay?

Axos Invest charges an asset-based investment advisory fee based on a percentage of the average annual assets under management ("AUM"). This advisory fee is charged to you monthly (twelve-month) in arrears.

This AUM fee covers most transaction costs and expenses. Still, it does not include custody or transfer fees that may be charged by the clearing firm carrying your account.

The cost is based on your account value as of the last business day of the current

### Conversation Starters

Ask our customer service line these questions to learn more:

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

### Conversation Starters

- Please 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?

calendar month. For example, the fee is not charged immediately when your account is opened. It becomes due the first business day following the last business day of the billing calendar month.

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

Please review our Form ADV Part 2A Brochure, Item 5 – Fees & Compensation, which provides a detailed description of the fees we charge you for managing and monitoring your investment account: [Axos Invest Part 2A of Form ADV](#).

## **What are your legal obligations to me when acting as my investment adviser? 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 can affect the recommendations we provide you.

Since Axos Invest charges an asset-based fee, the more assets you have in your account, the more you will pay in fees. As a result, the firm may have an incentive to encourage you to increase the assets in your account.

To alleviate this conflict, Axos Invest does not make recommendations or require you to deposit additional assets in your account beyond the initial \$1,000 opening amount. Axos Invest recommends which portfolio to select after initiating the account setup process. You may decide to follow Axos Invest's recommendation or create your portfolio.

We may also recommend deposit accounts, mortgage loans, personal loans, trust/will services, commercial lending and deposits, small business products and boat financing solutions. When we do so, Axos Invest receives a fee from the providers of these solutions for our referral to you. We address potential conflicts by disclosing to you at the time of our recommendation that we receive referral fees, along with details concerning our relationship with these providers.

Please review our Form ADV Part 2A Brochure, Item 14 – Client Referrals & Other Compensation. It provides a detailed description of some of the conflicts the Firm must disclose to you: [Axos Invest Part 2A of Form ADV](#).

## **How do your financial professionals make money?**

Our financial professionals are compensated by salary and do not receive compensation based upon the following factors: the amount of client assets they service, the time and complexity required to meet a client's needs, the product sold (i.e., differential compensation), product sales commissions, or revenue the firm earns from the financial professional's advisory services or recommendations.

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

Yes. Please visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and professionals.

For additional information about Axos Invest, Inc., or to request a copy of this relationship summary, please visit <https://www.axosbank.com/Legal/Disclosures>. You may also call 866-585-6755 or e-mail us at [support@axosinvest.com](mailto:support@axosinvest.com) to request up-to-date information, a copy of this relationship summary, or any concerns about our service.

### **Conversation Starters**

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

### **Conversation Starters**

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Are they a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

## **Exhibit A – Material Changes to the Customer Relationship Summary**

February 14, 2023

The following change was made: The firm has updated its legal or disciplinary history to “Yes.”

March 14, 2023

The following changes were made: The firm discusses its relationship with Axos Invest LLC, its account monitoring methods, and that clients will pay fees and costs whether they make or lose money on their investments.

June 25, 2024

The following changes were made: The firm has changed its initial account opening minimum to \$1,000.