

Ally Invest Advisors Robo Portfolios and Invest Simply Conversation Starters



Given my financial situation, should I choose an investment advisory service? Why or why not?

As an investment adviser, we owe a fiduciary duty to our clients, meaning we must always act in your best interests and not put our interests ahead of yours.

An advisory service like Robo Portfolios or Invest Simply may be right for you if you have the required minimum amount to invest (\$100 for Robo Portfolios and \$10 for Invest Simply) and can answer yes to all of the following questions:

- You prefer to have your investments professionally managed on a discretionary basis.
- You are comfortable with that management being delivered exclusively through online platforms.
- You are willing to pay a periodic, asset-based management fee for greater exposure to the market (Market-Focused Robo Portfolios) or, alternatively, you want to avoid a management fee but are willing to either keep approximately 30% of your account in cash and uninvested (Cash-Enhanced Robo Portfolios) or accept fewer investment options (Invest Simply).

On the other hand, an advisory service like Robo Portfolios or Invest Simply is probably not right for you if you would answer yes to any of the following questions:

- You prefer to direct your own trading or have a broker obtain your permission before initiating each trade.
- You would rather pay for trades on a transaction-by-transaction basis (i.e., commissions).

How will you choose investments to recommend to me?

During the account-opening process, you will choose between a Cash-Enhanced Robo Portfolio, a Market-Focused Robo Portfolio, or an Invest Simply portfolio, and then we will ask you a series of multiple-choice questions designed to help us understand your investment needs, including your investment time horizon, risk tolerance, financial goals and objectives, and liquid net worth. Based on your answers, we will recommend a long-term, diversified portfolio composed of a variety of exchange traded funds (ETFs). After your account is opened and your funds are invested, we will monitor your portfolio, and our automated system may execute trades in your account for a variety of reasons, such as rebalancing your portfolio when it diverges from your target allocation (e.g., due to the relative performance of the ETFs, effects of deposits and withdrawals, etc.), generating cash to pay advisory fees due to us (if applicable), and revisions to the investment allocations underlying your portfolio.

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

We are registered with the Securities and Exchange Commission (SEC) as an investment adviser, which qualifies us to provide discretionary investment advisory services to retail investors. Among other things, we are qualified to recommend an initial investment allocation based on the information you provide us and to manage the investments in your account on a discretionary basis in furtherance of your goals. Because we provide investment advisory services exclusively through our web-based platform, we do not designate retail investors' accounts to be serviced by an individual investment adviser representative.

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?

Invest Simply portfolios carry no advisory fee. The fees and costs you incur on a Robo Portfolio depend upon the model you select and the value of the assets in your account. If you invest \$10,000 in a Cash-Enhanced Robo Portfolio, you will not pay us an advisory fee, but approximately 70% of your account will be invested in the recommended ETFs, while approximately 30% will remain uninvested and held as cash. If you invest \$10,000 in a Market-Focused Robo Portfolio, you will pay an annual asset-based fee of 0.30% (i.e., \$30 if the total value remains steady at \$10,000) and approximately 98% of your account will be invested in the recommended ETFs while approximately 2% will remain uninvested and held as cash. Because of its larger uninvested portion, the performance of a Cash-Enhanced Robo Portfolio will generally lag that of its corresponding Market-Focused Robo Portfolio in times when invested assets are increasing in value. During such times, it is possible that the greater gains experienced in a Market-Focused Robo Portfolio could outweigh the benefit of the lack of an advisory fee in a Cash-Enhanced Robo Portfolio. Conversely, when invested assets are declining in value, a Cash-Enhanced Robo Portfolio will generally experience a less significant decline than that of its corresponding Market-Focused Robo Portfolio.

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

Our affiliated broker-dealer, Ally Invest Securities LLC (Ally Invest Securities), is compensated for orders executed at certain venues (Market Centers), including orders for AIA customers. Specifically, Ally Invest Securities receives a per-share rebate, known as payment for order flow (PFOF), in return for routing orders to those Market Centers. AIA does not determine which Market Centers to utilize, and Ally Invest Securities does not share PFOF revenue with AIA.

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?

Because we provide our Invest Simply and Robo Portfolios services exclusively through our web-based and mobile application platforms, we do not assign dedicated investment adviser representatives to client accounts.

Please call our Customer Service Department at [1-855-880-2559](tel:1-855-880-2559), or email support@invest.ally.com, if you have any questions or concerns about your account.