

# Client Disclosure Brochure

Form ADV Part 2A  
Effective June 16, 2025

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This Brochure provides information about the qualifications and business practices of Axos Invest, Inc. ("Axos Invest," "We," "Our," or the "Firm"). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. If you have any questions about this Brochure's contents, please contact Axos Invest at the address listed above.

Axos Invest is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any specific level of skill or training.

Additional information about the Firm is also available on the SEC's website

# Material Changes From Our Last Update

This is the most recent Axos Invest Form ADV Part 2A and will be effective June 16, 2025.

Material amendments throughout for this filing are as follows:

- Liberty LLC ("Liberty" or "Platform") is now the technology platform.
- New portfolio themes are offered via the Platform.
- New third-party model managers have been added to the Platform, as well as the due diligence process involved.
- Fees have been updated to include the offering of new third-party model managers.
- Axos Invest Portfolio Management Group's ("APMG") responsibilities now collectively include setting up the models offered by the third-party model managers, facilitating the trade implementation, reviewing the trade blotters going to the Firm's custodian, Axos Clearing LLC operating through its Axos Advisor Services ("AAS") division, for execution, handling all money movement, rebalancing, customization, tax loss harvesting, billing on the Platform.
- Account minimums have been updated.
- The Firm's risks section was updated.
- A minimum annual account fee of \$40, billed quarterly, has been amended.
- Tax Loss Harvesting has been amended for accounts over \$25,000 and will elect to pay 0.2% annually, charged quarterly.

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# Advisory Business

## Description of the Advisory Firm

Axos Invest has been providing investment advisory services to clients since 2009, under the name WiseBanyan, Inc. In February 2019, Axos Financial, Inc. acquired ownership of WiseBanyan, Inc., and renamed the Firm in July 2019.

Axos Invest is a corporation organized in the state of Delaware, registered with the SEC as an investment advisor wholly owned by Axos Securities, LLC, which also serves as the Firm's parent company. Axos Securities LLC is ultimately owned by Axos Financial, Inc.

Axos Financial, Inc., our ultimate parent company, is a publicly traded company (NYSE: AX).

The terms "Client," "Clients," "you," and "your" are used throughout this document to refer to person(s) who contract with us for the services described within this Disclosure Brochure. "Axos Invest," "our," "we," and "us" or the "Firm" refer to Axos Invest, Inc.

## Types of Advisory Services

### Automated Advisory Service – Axos Invest

Axos Invest provides advisory services via its website and mobile applications. Clients will complete an online questionnaire via the Firm's website or mobile application. The questionnaire allows the Firm to obtain information directly from the Client, such as their current financial situation, investment profile, investment goals, and investment objective. The advisory service will generate a recommendation featuring an asset allocation and a manager model designed to assist a Client in meeting the Client's individual investing lifecycle objective based upon this information from the Client. The Client may choose the recommendation from the Manager and Model selection tool or choose from other asset allocation and manager model choices. In either circumstance, upon account opening, the Firm will use its advisory services to implement and manage the selected asset allocation and manager model. Axos Invest will monitor the account to help achieve the Client's specific investing lifecycle objective.

Axos Invest offers core and thematic models. The core models are comprised of mutual funds ("MF"); MF and exchange-traded funds ("ETFs") or only ETFs across various asset classes. Axos Invest also offers thematic portfolios that includes ETFs and MFs, as well as bitcoin ("BTC") or other digital asset ETFs. At Axos Invest, we focus on asset allocation because it is a framework that allows us to achieve diversification and risk management for Clients. We analyze and optimize the availability of various stock, bond, and cash allocations that we believe are suitable for a Client.

In addition to the Axos Invest models, Clients will have access to third-party model manager firms that have been selected using Axos Invest's due diligence processes. These third-party model managers have been chosen for their People, Philosophy, Process, and Performance. Each manager has been chosen for its ability to create outcomes for Clients at various stages of the investing lifecycle. These third-party model managers send their asset allocations and/or individual holdings to the Axos Invest Portfolio Management Group ("APMG") for implementation. Initial allocations and ongoing allocation changes are sent to Axos Invest as the manager is making decisions. Changes can occur daily, monthly, quarterly, or annually. The APMG is responsible for facilitating portfolio changes and submitting trade execution instructions. The APMG is responsible for portfolio management coordination, implementation, ongoing monitoring, setting up the models from the third-party model managers and Axos Invest, facilitating trade implementation, reviewing the trade blotters going to AAS for execution, handling all money movement, rebalancing, customization, tax loss harvesting, and billing on the Platform. In our due diligence process, Axos Invest will review quarterly the third-party model managers recommended on the Platform. As of June 16, 2025, Axos Invest offers Clients the opportunity to invest in models offered by the following third-party model managers: Dana Investments, Genter Capital, Sage Advisory, Meeder, Invesco, and Franklin Templeton.

Axos Invest specializes in investment advisory services and recommends investment strategies tailored for Clients' financial objectives and time horizons. Clients utilizing the Firm's investment advisory service should understand that investment portfolios are allocated to a limited number of MFs and ETFs. Axos Invest recommends portfolios comprised of MFs and ETFs in several asset classes in our portfolios. These asset classes covered by MFs and ETFs include, but are not limited to:

- US Equities
- International Developed Equities
- International Emerging Equities
- Open-End Mutual Funds
- Closed-End Mutual Funds
- US Treasuries
- US Inflation Protected Treasuries
- US Investment Grade Corporate Bonds
- Short Term Corporate Bonds
- Real Estate Trusts
- Short Term High Yield Corporate Bonds
- US Short Term Treasuries
- Digital assets ETFs, such as Bitcoin ETFs or other cryptocurrencies ETFs (no outright cryptocurrencies are purchased/held)

After initial account opening, Clients may update their asset allocation or investment model selection at any time. Periodically and at least annually, the Firm's advisory service rebalances each Client's portfolio to realign the portfolio to the desired weighting across investments. Clients who wish to use the service for their investments must deposit the minimum required for the chosen asset manager investment model. These minimum requirements can vary by asset manager and investment model.

#### Tax Loss Harvesting.

If a Client wants to utilize Tax Loss Harvesting, Clients must enroll in this service. This service is provided for an additional fee of 0.20% annually and is only available for accounts with balances over \$25,000. Tax Loss Harvesting is a technique designed to help lower a Client's taxes while maintaining their portfolio's expected risk and return profile. This service is highly consultative; when you elect for this additional service, you will be asked to identify your tax loss target. The APMG will determine how to harvest unrealized losses to offset taxes due on your other gains and income. The APMG will review your account quarterly. They will sell a security at a loss to accelerate the realization of capital loss and invest the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be applied to lower your tax liability. Clients may terminate use of the Tax Loss Harvesting Service.

#### Automated Advisory Service – Managed Portfolios

The functionality of Axos Invest's managed portfolio platform provides access to additional account types, tax-loss harvesting services, and increased Client-directed customization levels. Portfolio features include:

#### Client Tailored Services and Client Imposed Restrictions

As described above, the Firm's advisory services are tailored for each Client based on the Client's interaction with the Axos Invest website and mobile applications. The Firm provides recommendations based on the Client's stated financial situation and investment objectives. Clients can impose restrictions on certain ETFs for their portfolios through the Investment Restrictions page in the Model and Manager selection tool. Restrictions will be reviewed and approved for eligible models; not all models are eligible for restrictions. The Firm requires Clients to electronically sign an advisory agreement to receive investment advisory services (the "Advisory Agreement"). Clients receive the Firm's Form ADV, including the Brochure, Brochure Supplements, Client Relationship Summary ("Form CRS"), and privacy policy through the website, mobile application, and other electronic communications.

## Wrap Fee Program

The Firm does participate in a wrap fee program. See the separate Wrap Fee Program Brochure.

## Assets under Management

As of December 31, 2024, the Firm has **\$145,969,885** in regulatory assets under management on a discretionary basis. The Firm does not manage assets on a non-discretionary basis.

# Fees and Compensation

## Fee Schedule

### Automated Investment Advisory Services

Axos Invest charges managed individual investment accounts a fee that includes the asset allocation and investment portfolio costs (the "Model Fee"). Each investment portfolio offered by Axos Invest has been assigned a model fee. The Model Fee is charged as compensation for Axos Invest's investment advisory services, as described in the Advisory Business section, and is assessed quarterly in arrears ("Billing Cycle") using an average daily balance calculation methodology. Axos Invest and fees for use of third-party model managers and their models are inclusive of all brokerage commissions, transaction fees, and other related costs and expenses incurred through the investment of Client assets by the Firm, except as otherwise noted. Axos Invest, in its sole discretion, may provide discounts to existing account holders.

Please review the Wrap Fee Brochure for details on the current Model Fees charged for each of the models made available by Axos Invest, including those offered by Axos Invest and third-party model managers. The current Model Fees are also listed in Axos Invest's Managed Portfolios Client Fee Schedule, a copy of which can be found here: [Legal Disclosures | Terms and Conditions](#). Axos Invest's Managed Portfolios Client Fee Schedule lists other charges and fees that are not included in the Model Fee and which may be charged to your account.

All accounts are subject to a \$40 minimum annual account fee ("Annual Fee") with such Annual Fee charged on a quarterly basis (that is, \$10 per quarter). If the quarterly Model Fee falls below the \$10 quarterly minimum Annual Fee, Axos Invest will debit the Client account for the difference. For example, an account with \$1,000 paying a 50 bps Model Fee will be charged \$5.00 annually or \$1.25 quarterly. This account will be charged an additional \$35.00 annually or \$8.75 quarterly to meet the \$40 minimum Annual Fee.

After account opening, if a Client's account falls below the minimum account value for the selected models and the account minimum has not been reestablished by a deposit or market appreciation within 30 days, the Advisory Agreement will be terminated. Client will be notified in writing 30 days prior to the Advisory Agreement being terminated. Upon termination of the Advisory Agreement, the account will default to a standard brokerage account without access to or the benefit of Axos Invest's advisory services. Client will receive a letter about the reversion to a standard brokerage account with instructions on how to reinstate to the Advisory Agreement if desired and how to transfer funds out and close the brokerage account. Upon termination of the Advisory Agreement, no billing for Axos Invest's advisory services will be charged; standard brokerage fees and charges may apply.

Tax Loss Harvesting is an elective service. The minimum account size for Tax Loss Harvesting is \$25,000. The fee is .20% (or 20 bps) on assets under management. Client will have to select from eligible models for tax loss harvesting; not all models are eligible. Separate fee billing will occur quarterly and is based on average daily balance on the last day of the billing quarter. Client must provide information about tax loss targets and may be required to sign a separate Tax Loss Harvesting agreement.

Charges and fees, including Model Fees and the Annual Fee, are subject to change from time to time, upon notice to you. Your continued use of Axos Invest's services will constitute your agreement to any such change in charges or fees.

*Although Axos Invest believes its fees are competitive, lower fees for comparable services may be available from other investment advisors.*

### Payment of Fees

The Model Fee and/or Annual Fee are deducted from Client assets held in their accounts. The Model Fee for each Billing Cycle is determined using the average daily balance on the last day of the quarter-end. If a Client withdraws assets during the Billing Cycle, the Model Fee and /or Annual Fee are pro-rated based upon the account value on the date the withdrawal request is received and the number of days the account was managed during the Billing Cycle.

### Prepayment of Fees

The Firm does not require the prepayment of fees.

### Compensation for the Sale of Securities

Neither the Firm nor its supervised persons accept compensation for the sale of securities or other investment products.

## Performance-Based Fees and Side-By-Side Management

Axos Invest does not charge fees based on a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client, i.e., it does not charge performance-based fees.

## Types of Clients

Axos Invest offers automated investment advisory services to individuals. While there are ranges of individuals who take advantage of these services, the appeal is for those who are seeking professional asset management. Investors can access a range of services such as asset allocation and manager/model selection that are aligned to achieve specific outcomes. There is a minimum account size of one hundred dollars (\$100) to open an account. MF Models using only MFs have an account minimum of \$100. Risk Based ETF Models, Thematic Models, and Thematic Models with BTC and/or Digital Asset ETFs all have account minimums of \$1,000. Third-party model managers and their models have varying minimums starting at \$5,000, \$15,000, \$25,000, and \$50,000.

## Methods of Analysis, Investment Strategies and Risk of Loss

### Methods of Analysis

The Firm conducts investment research using publicly available information. The Firm uses a questionnaire to analyze Clients' risk profiles to construct, revise and recommend asset allocation and models comprised of MFs and/or ETFs or stocks. The Platform is designed to offer Clients access to third-party model managers who can provide investment solutions during the accumulation, preservation, income generation, and income distribution phases of Clients' investing lifecycle. Third-party model managers can offer strategic or tactical asset allocation approaches to accomplish their objectives. Third-party model managers can implement their solutions by using ETFs, MFs, stocks or fixed income positions. A third party model manager is allowed to use multiple investment vehicles to implement their strategy. Each third-party model manager may implement their portfolios with different ranges of risk and return scenarios. Each Client will fill out a questionnaire to identify a set of managers that may be appropriate for selection.

### Initial Screening Process

Axos Invest conducts an initial and, where needed, an ad-hoc screening process for third-party model managers using outside consultants, Lipper institutional databases, Morningstar database, Morningstar ETF Screener, and other resources to identify potential manager candidates for the platform. Key initial screening criteria for third-party model managers may include:

- Manager firm AUM of greater than \$500 million is preferred but lower amounts may be considered.
- Manager performance record of 3+ years is preferred, but a shorter record may be considered.



- Manager is able to demonstrate that its philosophy and process has led to positive performance outcomes.
- Manager's willingness to accept Axos Invest's platform fees.
- Manager has an easy-to-understand investment philosophy and process from Axos Invest's viewpoint.
- Manager is compliant with the Global Investment Performance Standards ("GIPS") or in the process of obtaining GIPS certification.

The Firm will review a new manager and its models (and new models) prior to making them available to Clients. The Firm may also periodically review the manager and their models to evaluate their continued availability for use with Clients.

## Investment Strategies

The Firm's investment strategy focuses on building diversified model portfolios while seeking to minimize fees and tax consequences. This is achieved by focusing on diversification – building models with different asset classes and securities to reduce risk, asset allocation, and rebalancing strategies.

The Firm constructs models by identifying certain asset classes and their historical average performance. The assets' historical performance determines the weighting given in a model, depending on the risk score identified by reviewing the Client's questionnaire. The Firm incorporates semiannual or annual rebalancing into its investment program. Rebalancing is used when an asset allocation or investment model has drifted away from its target asset or position weight. Strategic asset allocation models may trade with less frequency than more dynamic asset allocation models. The Firm does not trade options for Clients using automated investment advisory services.

## Risks of Investments and Strategies Utilized

Any recommendations generated by the advisory service are highly dependent on receiving valid, accurate, and current information from each Client. As a result, Clients should make every effort to notify Axos Invest of any changes to their financial situation, financial goals, or if they wish to impose restrictions on their model.

Investing in securities involves the risk of loss that Clients should be prepared to bear. All securities investments can potentially result in a total loss of the investment. Material risks associated with services offered by the Firm include but are not limited to:

**Risk of Loss.** Investing in securities involves a risk of loss you should be prepared to bear. We do not represent or guarantee that our services or analysis methods can predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Mutual Fund Risks:** The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day. Most mutual funds fall into one of three main categories - money market funds, bond funds, and stock funds. Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss. Clients should read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks before investing. The Firm will select, recommend and/or retain mutual funds on a fund-by-fund basis. Due to specific custodial and/or mutual fund company constraints, material tax considerations, and/or systematic investment plans, the Firm may select, recommend and/or retain a mutual fund share class that does not have trading costs, but does have higher internal expense ratios than institutional share classes. The Firm will seek to select the lowest cost share class available that is in the best interest of each Client and will ensure the selection aligns with the Client's financial objectives and stated investment guidelines.

**ETF Risks:** An ETF is a type of investment company whose investment objective is to achieve the same or similar return as a particular market index. An ETF is like an index mutual fund in that it will primarily invest in the securities of companies included in a selected market index. An ETF will invest in either all the securities or a representative sample of securities included in the index. ETFs may be bought or sold throughout the day in the secondary market but are generally not redeemable by retail investors for the underlying basket of securities they track. The models are generally positively correlated with the world stock and fixed income indices. An overall downturn in the world stock and fixed income markets will generally result in losses in Axos

Invest's managed portfolios.

ETFs are subject to several risks in addition to market risk (as stated above). For example, ETFs' have transactions costs that may vary from ETF to ETF. ETFs may also be subject to other risks, such as a removal of an index, political risks, exposure to a complex strategy or sector, and taxation of the ETF. Before investing, it is important that you understand the factors that create these risks. How does the ETF achieve its stated objectives, and what are the risks? You should understand the techniques the ETF uses to achieve its goals.

What happens if I hold longer than one trading day? While trading and hedging strategies may justify holding these investments longer than a day, buy-and-hold investors with an intermediate or long-term horizon should consider whether these ETFs are appropriate for their models. In other words, because ETFs reset each day, their performance may diverge from the performance of the underlying index or benchmark. You could suffer significant losses even if the long-term performance of the index showed a gain.

For more information regarding the structure, fees, and risks associated with investing in ETFs, please see the SEC's Investor Bulletin on ETFs:

<https://www.sec.gov/servlet/sec/investor/alerts/etfs.pdf>

#### Stock Risks:

**Investment Recommendations:** The Firm relies on questionnaires consisting of a limited number of questions and data points provided by the Client that serves as a basis for its investment recommendations. The answers provided by a Client may be the sole basis for the recommendations generated by the advisory service. Clients should be aware that the advisory service does not have access to obtain information about accounts not held with Axos Invest or other information to generate an overall financial plan. The recommendation provided is limited to the Client's financial profile and the specific investment goals desired by the Client, as presented to Axos Invest. It may not address all possible goals a Client may have.

**Tax Lot Harvesting:** Tax lot harvesting from Axos Invest is not intended as tax advice. Axos Invest does not represent that the tax consequences described will be obtained or Axos Invest's investment strategy will result in any tax consequence. Clients should confer with their tax advisor regarding the tax consequences of investing with Axos Invest and engaging in the tax-loss harvesting strategy based on their circumstances. Clients and their tax advisors are responsible for how the transactions in the Client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. Axos Invest may provide Clients with an alternative tax document to assist with their reporting. Axos Invest assumes no responsibility to you for the tax consequences of any transaction, including any capital gains and wash sales that may result from the tax-loss harvesting strategy.

The preceding risks do not purport to explain all the risks involved in investing with the Firm. Clients should read the entire Brochure, the Advisory Agreement, and other materials that may be provided by the Firm and consult with their own advisors before engaging the Firm's services.

#### Cryptocurrency Risks:

Trading in cryptocurrencies, including in BTC or other cryptocurrency ETFs like those offered by the Firm, is only appropriate for persons that understand and are willing to assume the risks involved. Cryptocurrency markets and exchanges are not currently regulated with the same controls, nor customer protections available in equity, option, futures, or foreign exchange investing. There is no assurance that a person who accepts a cryptocurrency as payment today will continue to do so in the future. Investors should conduct extensive research into the legitimacy of each individual cryptocurrency, including its platform, before investing. The features, functions, characteristics, operation, use and other properties of the specific cryptocurrency may be complex, technical, or difficult to understand or evaluate. Cryptocurrency trading requires knowledge of cryptocurrency markets. In attempting to profit through cryptocurrency trading you will be competing with traders worldwide. Having appropriate knowledge and experience before engaging in substantial cryptocurrency trading is in the best interest of the investor.

Below are some risks associated with investing in cryptocurrencies:

- **Volatility** - The price of value of cryptocurrency can rapidly increase or decrease at any time (and may even fall

to zero). Cryptocurrency can be volatile, with large swings in value over short periods of time, which may give you pause if you're risk averse. Keep in mind that anyone can launch a cryptocurrency, and how it's regulated is in flux, so it's vital to thoroughly vet any possible investments, including ETFs, to avoid scams.

- **Loss** - The risk of loss in trading or holding cryptocurrency including ETFs can be substantial and can result in the loss of your investment.
- **Exchange rate** - Exchange rates fluctuate regularly and the rate used for purchasing cryptocurrency may not be the same rate that applies when converting back into the same fiat currency.
- **No Government protection** - Crypto assets are not backed by the government or guaranteed by any bank, and may lose value. Cryptocurrency balances are not subject to protection from Federal Deposit Insurance Corporation of Securities Investor Protection Corporation. There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future.
- **Speculative** - Crypto asset trading is speculative and involves a high degree of risk. The crypto asset market is new and unproven and may not grow. Currently, the use of crypto assets, including in ETFs, in the retail and commercial marketplace is very limited compared with the relatively large market for speculators, which contributes to price volatility that could adversely affect the value of crypto assets or ETFs holding or tracking such assets. In order to participate in the trading of crypto assets, including through use of ETFs, you should be capable of evaluating the merits and risks of ownership and be able to bear the economic risk of losing the entire value of your investment.
- **Government Prohibitions** - Although currently cryptocurrencies are not regulated or is lightly regulated in most countries, one or more countries such as China, Iceland, Vietnam and Russia may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use cryptocurrency or to exchange cryptocurrency for fiat currency. Such an action may also result in the restriction of ownership, holding or trading in cryptocurrency.
- **Legislative and Regulatory Risks** - Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of crypto assets.
- **Fraud** - Transactions in crypto assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. The nature of crypto assets may lead to an increased risk of fraud or cyber-attack.
- **Potential for loss** - The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the virtual currency disappear. The nature of crypto assets means that any technological difficulties experienced may prevent the access of use of your crypto assets.
- **Liquidity** - Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a particular cryptocurrency suddenly drops, or if trading is halted due to recent news events, unusual trading activity, or changes in the underlying cryptocurrency system.

## Disciplinary Information

The Firm and its management persons have not been a party to any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of the Firm's investment advisory business or the integrity of its management. Axos Invest, Inc.'s affiliated broker-dealer, Axos Invest LLC, settled a matter with FINRA effective May 19, 2023, concerning Axos Invest LLC's Form CRS. Axos Invest LLC was censured, agreed to pay a \$75,000 fine, and consented to other findings, the further details of which can be found on Axos Invest LLC's BrokerCheck Report here: <https://brokercheck.finra.org/firm/summary/172393>.

# Other Financial Industry Activities and Affiliations

## Broker-Dealers

### Axos Invest LLC

Some of the Firm's management persons are registered representatives of our affiliated broker-dealer, Axos Invest LLC. There are no relationships or arrangements between the Firm and any other persons or entities that create a material conflict of interest with the Firm's Clients.

Axos Invest LLC is wholly owned by Axos Securities, LLC. Axos Securities, LLC is ultimately owned by Axos Financial, Inc. Axos Invest LLC may act as the introducing broker-dealer for Client accounts; where this is the case, neither the Firm nor Axos Invest LLC charges the Firm's Clients any fees related to Axos Invest LLC's role as introducing broker-dealer. Accordingly, potential material conflicts of interest are minimized with this arrangement. Accordingly, potential material conflicts of interest are minimized with this arrangement.

## Clearing Firms

### Axos Clearing LLC

Some of the Firm's management persons are registered representatives of Axos Clearing LLC ("Axos Clearing"). Axos Clearing is also wholly owned by Axos Securities, LLC. Axos Securities, LLC is ultimately owned by Axos Financial, Inc. Axos Clearing is a registered broker-dealer that provides clearing, settlement, custody, securities and margin lending, and technology solutions to introducing broker-dealers. Axos Clearing also provides custody and related services to registered investment advisors through its AAS division. Axos Clearing is a member of the Financial Regulatory Authority ("FINRA"), the New York Stock Exchange ("NYSE"), and the Securities Investor Protection Corporation ("SIPC"). All Clients that have selected the Firm's investment advisory service via the Firm's website will have brokerage accounts opened with Axos Clearing.

## Banking Institutions

Axos Invest's ultimate parent company, Axos Financial, Inc. (NYSE: AX), is also the parent company for Axos Bank. Axos Bank is a federal savings association and nationwide bank that provides financing for single and multifamily residential properties, small-to-medium size businesses in target sectors, automobiles, and selected specialty finance receivables, among other services.

The Firm has internal policies and procedures to address actual and potential conflicts of interest from the preceding relationships and affiliations. Any conflicts with Axos Invest's compensation based upon these relationships are disclosed in the Client Referrals and Other Compensation section.

## Third Party Affiliates

Axos Invest, Inc. has an agreement with Envestnet, a third party that makes available a platform through which investment advisors can access advisory products and services, including third-party model managers, for use with their clients (the "Envestnet Services"). Through this agreement, Axos Invest, Inc. makes available the Envestnet Services to other, unaffiliated registered investment advisor firms, including those that receive clearing and custody services from Axos Clearing. As elsewhere stated, Axos Clearing is an affiliate of Axos Invest, Inc. and also serves as the custodian for Axos Invest, Inc.'s managed accounts. This arrangement enables these other registered investment advisor firms to access the Envestnet Services to then offer a broader selection of investment options and model management solutions to their own clients.

Axos Invest, Inc., does not receive any direct compensation as a result of this arrangement. Clients utilizing the Envestnet Services through other registered investment advisor firms should note that while this arrangement allows for streamlined access to the Envestnet Services, it does not alter the advisory services they may receive from Axos Invest, Inc.

This affiliation may create potential conflicts of interest. Axos Invest, Inc. mitigates these potential conflicts by ensuring that the third party registered investment advisors using the Envestnet Services affirm that they will use the Envestnet Services based on their client's best interests and what is suitable for their clients, independent of any relationship with Axos Invest, Inc. Clients are encouraged to ask questions and consider how this arrangement might impact the advisory services and products offered to them through Axos Invest, Inc.

# Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

## Code of Ethics

Axos Invest has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to standards of business conduct personal securities transactions, and the prohibition against insider trading. All supervised persons at Axos Invest must acknowledge the terms of the Code of Ethics annually or as amended.

Axos Invest anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which the Firm has discretionary authority to affect the purchase or sale of securities in which Axos Invest, its management persons and/or Clients, directly or indirectly, have a position of interest. The Firm's employees and persons associated with Axos Invest must follow Axos Invest's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of the Firm and its employees may trade for their accounts in securities, which are recommended to and/or purchased for the Firm's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Axos Invest will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Axos Invest's Clients. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Axos Invest and its Clients.

Axos Invest's Clients or prospective clients may request a copy of the firm's Code of Ethics in writing by contacting the Firm at [support@Axos Invest.com](mailto:support@Axos Invest.com).

## Recommendations Involving Material Financial Interests

Neither the Firm nor its related persons recommend to Clients or buys or sells for Client accounts, securities in which the Firm or a related person has a material financial interest.

## Investing Personal Money in the Same Securities as Clients

Certain affiliated accounts may trade in the same securities with Client accounts on an aggregated basis when consistent with Axos Invest's best execution obligation. In such circumstances, the affiliated and Client accounts will share commission costs equally and receive securities at the same average price. Axos Invest will retain records of Client orders (specifying each participating account) and their allocations. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. The Firm's employees are permitted to open Axos Invest managed accounts; these employee accounts are treated equally to all other Client accounts.

The Firm's policy is that the Firm will not affect any principal transactions for Client accounts. Axos Invest will also not cross trades between Client accounts.

# Brokerage Practices

## Investment Advisory Services

Axos Invest has entered into a custody agreement with Axos Clearing for use of the services offered by Axos Clearing's AAS division. Axos Clearing serves as the qualified custodian for all Axos Invest Clients under this custody agreement. Axos Clearing is a member of FINRA, NYSE, and SIPC.

Axos Invest has evaluated Axos Clearing and believes it provides Clients with a blend of execution services and commission costs that fulfills the Firm's best execution requirement for Client transactions. While Axos Invest believes that Axos Clearing can obtain the best execution and competitive prices, the Firm does not route orders to clearing firms other than Axos Clearing. Periodically Axos Invest personnel evaluate executions by Axos Clearing to ensure that best execution has been achieved. Best execution may be available using other broker-dealers. The Firm reserves the right to decline acceptance of any Client account



that directs the use of a broker-dealer other than Axos Clearing or Axos Invest LLC for automated investment advisory services. The best execution or a better price may be available through broker-dealers other than Axos Clearing or Axos Invest LLC. Axos Invest may use block trades when advantageous to Clients. Block trades permit the trading of aggregate blocks of securities composed of assets from multiple Client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows Axos Invest to execute trades in a timelier, equitable manner and reduce overall commission charges to Clients.

Axos Invest does not have any arrangements to compensate any broker-dealer for client referrals.

## Margin

Depending on the services that automated investment advisory Clients elect, Axos Invest may open margin accounts on behalf of Clients or convert an existing account to a margin account. The Firm does not use leverage in margin accounts; instead, margin accounts may be used to have immediate availability of cash upon the sale of securities. Axos Invest does not offer the margin feature directly. Instead, the margin is provided by Axos Clearing. Axos Clearing provides all disclosures, and Clients should read disclosures carefully and contact the Firm at (888) 585-4965 or in writing to [support@AxosInvest.com](mailto:support@AxosInvest.com) if they have any questions.

## Research and Other Soft Dollar Benefits

The Firm does not receive research or other products or services from a broker-dealer or third party in connection with Client securities transactions ("soft dollar benefits").

## Brokerage for Client Referrals

The Firm does not consider client referrals from a broker-dealer in selecting or recommending broker-dealers. The Firm does not receive client referrals from a broker-dealer.

## Directed Brokerage

The Firm does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by the Firm at its discretion.

# Review of Accounts

## Automated Investment Advisory Services

Axos Invest's investment advisory services review the models on a daily basis to ensure that Client model allocation is in line with the allocation the Client selected. Additional reviews may be triggered by material changes in variables such as a Client's circumstances or the market, political or economic environment. Clients using the investment advisory service may continuously access account details through the Firm's website and mobile application, including current account balances and positions. All information relating to Client accounts is provided on the Firm's website and/or sent via email, as agreed to with each Client at their account opening. Axos Clearing prepares account statements showing all transactions and account balances at least quarterly for Clients using the investment advisory service.

At least annually, Axos Invest contacts each Client and notifies them electronically to confirm if their financial information is still accurate, if they wish to place, remove, or modify any reasonable restrictions on the account and inquire if any changes have occurred in their financial circumstances. When requested, Axos Invest reminds Clients that they can update their financial goals through a client portal made available by Axos Invest or one of its affiliates. If a Client updates their financial goals, Axos Invest will review the newly received information and automatically update the Client's allocation accordingly.

# Client Referrals and Other Compensation

## Client Referral Programs

There is no active client referral program at Axos Invest. If a program is introduced, Axos Invest will update this brochure accordingly. Throughout the course of normal business, Axos Invest may employ promotional campaigns that seek to attract new and continued business. These programs may include compensating affiliates, strategic partners, or third-party solicitors for referring Axos Invest to prospective clients. Compensation may include flat fee arrangements or payments based on specific

and defined performance triggers, such as account application start, approved-account opening, account activity, and account funding. Clients aren't charged any fees, nor do they incur any additional costs for Axos Invest compensating affiliates, strategic partners or third-party solicitors. Prospective clients will be informed of the compensation being received prior to becoming a Client.

## Payments for Services Between Affiliates

Axos Invest and our affiliates may make certain intercompany payments to compensate each other for performing various administrative and other services, including (but not limited to) consulting services, marketing services, sponsorship fees, support services, and transfer credits for trade execution services. Intercompany payments received or paid by us or our affiliates, may be terminated, modified, or suspended.

Axos Invest has entered into a referral arrangement with its affiliate, Axos Bank. Under this arrangement, Axos Invest may receive referral fees from Axos Bank for Clients that become banking customers of Axos Bank. Neither the Model Fee or the Annual Fee charged to a Client is affected by this referral agreement. Moreover, Axos Bank will not receive compensation from Axos Invest and only receives compensation for the banking product purchased by the consumer.

When trades are executed in certain mutual funds, Axos Clearing's AAS division retains the associated trailing compensation from these mutual fund shares. Axos Invest is not a party to these shares and does not receive any compensation related to them.

## Custody

Axos Invest does not directly maintain custody of Client assets. Client assets are held at Axos Clearing, a qualified custodian. Axos Invest is deemed to have custody of your assets under Rule 206(4)-2 of the Investment Adviser's Act of 1940. As a result, Axos Invest and Axos Clearing ensure that Clients receive monthly custodial statements from Axos Clearing. Except for official custodian prepared statements, facts and figures made available through online portals are not official statements and are only provided for informational purposes. Clients are urged to compare the official custody statements provided by Axos Clearing to data found on the Axos online portal, and if any discrepancies are detected, to contact Axos Invest promptly at [support@axosinvest.com](mailto:support@axosinvest.com).

## Investment Discretion

Axos Invest receives discretionary authority from the Client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. As such, prior to Axos Invest accepting discretionary authority over a Client's account, each Client must agree to the Advisory Agreement, which includes a limited power of attorney granted to the Firm by the Client. In all cases, however, Axos Invest's discretion will be exercised consistent with the model recommended to and accepted by the Client or with the model selected by the Client.

## Voting Client Securities

As a matter of Firm policy and practice, the Firm does not have any authority and does not vote proxies on behalf of Clients. Clients are responsible for receiving and voting proxies for all securities maintained in Client accounts. Clients will receive shareholder notices directly from the designated custodian. The Firm may provide advice to Clients regarding the Clients' voting of proxies.

Axos Invest will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held or previously were held in the Client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. Clients may direct the Firm to transmit copies of class action notices to the Client or a third party. Upon such direction, the Firm will promptly make commercially reasonable efforts to forward such notices.

# Financial Information

## Balance Sheet

As Axos Clearing is an affiliate, Axos Invest is considered a qualified custodian as defined in Rule 206(4)-2 of the Adviser's Act. However, as the Firm does not require solicit prepayment of more than \$1,200 fees in advance per Client, Axos Invest is not necessary to include a balance sheet with this Brochure.

## Financial Condition

At this time, neither the Firm nor its management have any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to Clients.

## Bankruptcy Petitions in Previous Years

The Firm has not been the subject of a bankruptcy petition in the last ten years.

Advisory services are offered by Axos Invest, Inc., an investment advisor registered with the Securities and Exchange Commission ("SEC"). For information about our advisory services, please view our Form CRS or our [ADV Part 2A Brochure](#), free of charge. Brokerage services and securities products are offered by Axos Invest LLC, Member FINRA & SIPC. YOU MAY FIND MORE INFORMATION ABOUT OUR FIRM ON FINRA'S BROKERCHECK. [View the background of this firm](#), or REVIEW our [Form CRS](#). All cash and securities held in Axos Invest client accounts are protected by SIPC up to \$500,000, with a limit of \$250,000 for cash. Read more information about SIPC on the [SIPC web page](#).

Securities and other non-deposit investment products and services are not deposits, obligations of or guaranteed by Axos Bank, are not insured by the FDIC or any governmental agency, and are subject to investment risk including possible loss of the principal invested. Past performance of a security does not guarantee future results or success.

Axos Invest LLC, Axos Invest, Inc., and Axos Bank are separate but affiliated companies.

Axos Bank [NMLS# 524995](#)  
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