

Human Interest Advisors LLC
Form CRS “Conversation Starters”

Last updated: March 23, 2023

Form CRS is a disclosure document that seeks to explain to a retail investor the relationship and services offered by an investment adviser, or a broker dealer, or a firm that is dually registered (meaning the firm can offer services as both an investment adviser and a broker dealer). Human Interest Advisors LLC (“Adviser”) is a registered investment adviser that provides investment advisory and investment management services to Plans (as defined below) and Plan participants. Form CRS includes the following additional questions or “conversation starters” for a retail investor to ask a financial professional and start a conversation about relationships and services. We are providing answers to these questions because the Adviser provides automated investment advisory services solely through an online platform, so this document is intended to provide additional information about our services without speaking to a financial professional. We discuss how to get in touch with the Adviser’s parent, Human Interest Inc. (“Recordkeeper”), about your account at the end of this page.

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

Your employer provides an employer-sponsored retirement plan, which is a 401(k) Plan or 403(b) plan (each a “Plan”), that is regulated under the Employee Retirement Income Security Act of 1974 (ERISA), and the Adviser provides investment advisory or investment management services to the Plan. In connection with the Adviser’s services to a Plan, the Adviser also makes available investment advisory services to Plan participants (“Participants”, “you” or “your”). If you want to know more about how Plans work, please visit: humaninterest.com/learn/articles/what-is-a-401k-how-does-it-work/.

Your Plan provides an opportunity for you, as an employee, to contribute a percentage of your wages each pay period for retirement up to a maximum amount that is set by the IRS, which offers the opportunity to save with certain tax benefits. It is also possible that your Plan automatically enrolled you to contribute a percentage of your wages into your account, and there could be an automatic increase of that percentage annually. Some Plans also offer an employer match that would increase the total contribution to your account, but Plans are not required to do so and any contribution could be subject to a vesting requirement meaning the full contribution would not be yours to keep for several years. We encourage you to review the disclosure provided to you regarding the Plan. Your account would include your contributions as well as any contribution from your employer, if any.

A variety of service providers, including a dually registered firm, could provide investment advisory services to participants in a retirement plan, but your employer, also referred to as the “plan sponsor,” chose to make available the services of an investment adviser, Human Interest Advisors LLC. You can choose among a few options for how to use the investment advisory service offered to you which are based on Model Portfolios (defined in the response to the next question), or you have the flexibility to choose your own lineup from your Plan’s available investment vehicles.

While your account offers an opportunity to save for retirement with certain tax benefits, we encourage you to consider the merits and risks of investments as you select any financial services to use. Investing involves risk, including the risk of loss, and past performance does not guarantee future results. It might be that you have additional non-retirement accounts, and you can seek out financial services from different types of firms depending on their needs, including broker-dealers and investment advisers. We are an investment adviser, not a broker-dealer.

Investment advisory and brokerage services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing. Generally, an investment adviser differs from a broker-dealer in the following ways:

- *Standard of Care.* As an investment adviser, we must put your interests ahead of ours at all times, and there are certain duties that we owe to you. A broker must act in your best interest and not place its interests ahead of yours in a transaction involving securities.
- *Accounts and Trading Discretion.* As an investment adviser, we offer both discretionary accounts where we determine what securities to buy or sell on your behalf and non-discretionary accounts where you make the ultimate decision of what to buy and sell. A broker-dealer typically offers non-discretionary accounts.
- *Fees and Costs.* Each investment adviser and broker-dealer has a unique fee schedule. We charge an asset-based fee based on the value of your account that includes our investment advisory fee and custodial fee, and there are other fees associated with your account such as the underlying mutual fund fees. Broker-dealers typically charge transaction-based fees, but there could also be custodial fees, account maintenance fees, and fees for underlying investments.

How will you choose investments to recommend to me?

Our investment advice is automated and mainly delivered to you via our Model Portfolios (defined below), and information about you (such as your age) influences our recommended Model Portfolio. You can also respond to an optional online questionnaire

to provide more information about your risk tolerance that would further refine the Model Portfolio we recommend for you. Or you could choose your own Model Portfolio by using our manual “risk slider” bar to tell us your risk tolerance. Finally, you can choose to select your own Investment Vehicles (as defined below). It is important to note that the Plan’s investment menus and Investment Vehicles and our Model Portfolios are *not* personally tailored to you or your needs.

Plan Investment Menu of Model Portfolios and Investment Vehicles

Currently, we offer advice on open-end mutual funds and cash equivalents, but may in the future also advise on exchange-traded funds, money market funds or similar investment vehicles, as well as separate accounts, collective investment vehicles and other investments (“Investment Vehicles”). Depending on the services your employer selects, the Adviser either chooses for the Plan, or works with each Plan to develop, the group of Investment Vehicles that become the investment menu for that Plan.

We generate model portfolios that consist of target percentages for investment in certain investment types for which we advise clients (each a “Model Portfolio”). Our menu of recommended Investment Vehicles covers asset classes with a range of risk and performance characteristics. Our recommended Model Portfolios include primarily low-cost index funds from major asset classes and risk categories.

Each Plan has an investment menu of Investment Vehicles, and it will include the Investment Vehicles used in our Model Portfolios.

You will receive discretionary investment advisory services through investments in Model Portfolios unless you choose a Participant Selected Portfolio (as defined in the next paragraph below).

Participant Can Select Investment Advisory Services

You can choose the investment advisory services that best match your needs by: (1) accepting our recommended Model Portfolio, which we recommend based on information provided by you and the Plan (e.g., current age) and assumptions that Adviser makes regarding your financial circumstances and preferred risk level; (2) completing or update such information, in which case we could recommend a different Model Portfolio that you can then choose whether to accept; or (3) choosing a Model Portfolio by indicating your risk tolerance. Alternatively, you can choose your own investment allocations (a “Participant Selected Portfolio”). If you do not engage on the platform to select a Model Portfolio or select a Participant Selected Portfolio, you will receive the default Model Portfolio selected by us based on your current age (a “Default Allocation”). You can be placed in a Default Allocation because the Plan has designated the Adviser to provide investment advisory services as the “qualified default investment

alternative" ("QDIA") for the Plan. It is important to note that if you choose option (2) or (3) above, then you are modifying or replacing the Model Portfolio based on your risk appetite, which could be more conservative or aggressive than our recommendation to you.

If you choose a Participant Selected Portfolio, you can also select Investment Vehicles available in the Plan's investment menu that may not necessarily be included in our Model Portfolios.

Although we receive an asset-based fee for making our advisory services available to you, we do not receive an additional financial benefit from recommending a Model Portfolio to you, which helps align our incentives with yours. But note that your Plan's investment menu could include an Investment Vehicle with a sales charge or other fees, which would make that investment more expensive than another comparable investment without a sales charge or other fees.

Our Ongoing Automated Monitoring

For all but Participant Selected Portfolios, once each quarter, the Adviser will determine whether to rebalance your account to be aligned with the applicable Model Portfolio. Rebalancing is intended to ensure that your portfolio remains approximately aligned with the Model Portfolio's underlying target asset allocation. Please note that rebalancing does not ensure a profit or protect against loss.

For all but Participant Selected Portfolios and accounts of those that opt-out on the platform, Participants' accounts will be opted into a "glide path," which will result in the Participant's Model Portfolio being periodically adjusted to another Model Portfolio, with the goal of gradually reducing the expected risk of the Participant's account as the Participant ages; the Adviser will then rebalance the account based on the replacement Model Portfolio, at the Adviser's discretion.

After you have accepted or selected a Model Portfolio (or Adviser has selected a Default Allocation for you), the Adviser will not review your account to determine whether a Model Portfolio continues to be appropriate for you or assess if another Model Portfolio would be better. However, you can use the platform to update your information, and this process will result in the Adviser recommending a Model Portfolio.

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

Most of our financial advice is automated, and the algorithms that are used to formulate the investment advice are owned by the Adviser and will be overseen by investment advisory personnel. We generate Model Portfolios that consist of target percentages for

investment in certain investment types for which we advise clients. With certain exceptions, every Participant will be invested in a Model Portfolio as recommended by us. Each Model Portfolio recommendation will be based on the information that you or the Plan provides and assumptions that we make based on that information. The Model Portfolios were developed by a financial professional who was an investment adviser representative (“IAR”) and are currently overseen by a financial professional who is an IAR of the Adviser and holds his Chartered Financial Analyst, (CFA) designation. The Adviser’s investment committee reviews the models quarterly.

The Adviser can provide investment advice to you because it is an SEC-registered investment adviser, but this registration does not imply a certain level of skill or training.

Members of our parent company’s [Customer Support team](#) are available to assist with questions about your account but please be aware that they are not licensed to give financial advice.

Help me understand how these fees and costs might affect my investment. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?

Our fees and costs will impact the value of your account to varying degrees, and over time the cumulative effect of fees and expenses can meaningfully reduce the growth of your retirement account. If you invest \$10,000 in a Model Portfolio, we would invest the full \$10,000 for you and charge an asset based fee to the Plan (which includes our investment advisory and custodial fees) of up to 0.50% annually, which is pro rata allocated across all of the Plan’s accounts. This means that up to \$50 per year could be deducted from an account with a \$10,000 balance if your account balance did not change over the course of the year. If the value of your account goes up to \$20,000 (let’s assume it was a great year, you continued your contributions and your investments appreciated; both of which grew the value of your account over time), we would deduct up to \$100 for that year. Your account is also subject to various other fees in connection with our provision of services to you as discussed further below.

Adviser’s Investment Advisory & Custodial Fees

We charge an asset-based fee to the Plan for advisory services, which is typically up to 0.50% annually. Advisory fees are charged monthly based upon the previous period’s asset balance. The applicable pro rata portion of this fee is deducted from the balance of your account.

The advisory fee includes a custodial fee, which covers holding your assets and certain trading costs.

Other Fees and Expenses

You may also pay other fees and costs related to your investment advisory services. The Investment Vehicles, such as mutual funds in your account have specific fees that are charged to you and disclosed in each fund's prospectus and in fee disclosures provided by the Recordkeeper. The main type of fees charged by a mutual fund are included in its "expense ratio." An expense ratio is the measure of mutual fund operating and management costs relative to assets. Mutual fund costs are expressed as a percentage of the fund's average net assets, and do not come directly out of your account. Instead, expense ratios come from the fund's assets and are reflected in the net asset value (NAV) of the fund. Essentially, the NAV is the "price" of the mutual fund.

In an effort to illustrate the cost of the Investment Vehicle fees, we will use the average expense ratio of the mutual funds included in our Model Portfolios as a proxy.

For those invested in Model Portfolios, which includes up to six core funds, the average expense ratio of each Model's weighted expenses is approximately 0.07% (as of 12/31/22). The exact amount varies depending on which Model Portfolio you choose. Your Plan can include additional investments with different expense ratios. You can find more information about each Investment Vehicle's fees, operating expenses, and expense ratio in the prospectus on the Investment Vehicle's website.

For Plans that elect 3(21) investment advisory services, average fund fees vary depending on funds chosen by the Plan sponsor and may include a 12b-1 fee, which are disclosed to the Plan and Participants in the fee disclosures provided by the Recordkeeper annually.

Please note that Model Portfolio allocations and underlying fund fees are subject to change.

Example of Adviser's Investment Advisory & Custodial Fees and Other Fees such as Underlying Mutual Fund Fees

The following shows what the potential costs are to you, although your Plan could elect to pay some of the Adviser's asset based fee (which includes the investment advisory and custodial fee):

Fee Type: *Adviser's Asset Based Fee*

% of Assets: *Up to 0.50%*

What service do I get for this fee: *Adviser's investment advisory services; custody fee for the service of holding your assets in safekeeping, trading, etc., performed by the third-party custodian for your Plan*

How is this fee charged to me: *This fee will be charged to the Plan and automatically deducted from the Plan's assets, and the applicable portion of this fee will be reflected in*

the balance of your account. This fee would be reflected in your quarterly statement available on the platform.

Fee Type: Underlying Investment Vehicle Fees (Average Expense Ratio for Mutual Funds in Model Portfolios is used as a proxy)

% of Assets: 0.07%

What service do I get for this fee: Investing in a specific fund, including the operating and management costs and any other fees and expenses

How is this fee charged to me: This fee is reflected in the price (NAV) of the mutual fund and is not separately charged to you.

Again, it is important to note that the expense ratio for the mutual funds is reflected in the net asset value of the mutual fund. The expense ratio drags down its value over time, but it is not separately charged to you. For this reason, we did not revise our sample \$10,000 investment above.

The Plan also pays other fees and costs in connection with the advisory services, including fees due to affiliate Recordkeeper (defined above) for software, recordkeeping and administration services and fees due to third-parties such as custodial services and brokerage or other transaction costs, and while you do not directly pay these fees, the Plan can allocate some of these costs to you. Fees charged to 401(k) plans can be confusing, and we have additional materials available on the Recordkeeper's website to try to explain them, including at <https://humaninterest.com/learn/employees/> and specifically at <https://humaninterest.com/learn/articles/401k-fees-too-high/>.

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

Conflicts of interest are faced by every investment adviser and their client. We have a duty to act in your best interest at all times and to not put our interests ahead of yours as well as a duty to make full and fair disclosure about our conflicts of interest. At the same time, our business practices as an investment adviser will create some conflicts with your interests. As described in our Form CRS, here are some examples to help you understand what this means:

- We make money, in part, based on advisory service fees. These fees are calculated based on the total amount of your Plan account balance. Due to this, when you contribute assets or your account balance appreciates, we expect to earn greater revenue.
- Adviser is wholly owned by its parent, Recordkeeper, which serves as the recordkeeper to the Plans. Together, the Adviser and Recordkeeper offer a bundled service, but lower fees could be available through service providers offering advisory services separately from retirement recordkeeping services.

- Adviser owns its own algorithms but Adviser is dependent on the Recordkeeper for certain technology services, such as the online platform, ongoing development and maintenance of non-advisory services and certain resource sharing.
- Adviser's personnel are responsible for certain oversight and monitoring of the Recordkeeper, but Adviser personnel in addition to receiving a salary and bonus from the Adviser, also receive long-term deferred compensation in the Recordkeeper in the form of stock options, which could align their interest with and cause them to favor the Recordkeeper.

We manage our conflicts of interest through our policies and procedures. We also have further disclosure related to our relationship with Recordkeeper in our Form ADV Part 2A in Items 8 and II, and we encourage you to read more about it there. If you have any additional questions or concerns about these conflicts, we encourage you to get in touch with us online as described below.

As a financial professional, do you have any disciplinary history? For what type of conduct?

No, we do not have any disciplinary history. Please visit investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals, or you can visit or adviserinfo.sec.gov/. Please also visit our website at <https://humaninterest.com/hia/> for more information about us.

Who is my primary contact person? Are they 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?

The Adviser is set up a little differently from other investment advisers. Because we currently provide investment advice primarily over the internet, your primary way of interacting with us as your investment adviser will be through our website.

If you would like to get in touch with us about your account or alert us to an issue or any concern, the Recordkeeper has a Customer Support team that can be reached online at <https://support.humaninterest.com/s/contactsupport>. You can also reach the Recordkeeper by phone at 855-622-7824 Monday through Friday from 6am-5 pm PST or 9am-8 pm EST. We also have Spanish-speaking team members, please contact our Customer Support team at 855-622-7824 and press 2 for Participant, and next, press 2 for Spanish. The Recordkeeper is not an investment adviser and will not give financial advice, and members of our Customer Support team are not investment adviser representatives and are not licensed to give financial advice.