



Axos Invest Tax Protection Package Terms and Conditions

I. Axos Invest Tax Protection Package Overview

The following are the features included in your Axos Invest, Inc. ("Axos Invest") Tax Protection Package ("Tax Protection Package"): A) WiseHarvesting; B) Selective Trading; C) IRAutomation. By agreeing to join the Axos Invest Tax Protection Package, you are agreeing to these terms and conditions.

Fees

1. If you have either the WiseHarvesting or Selective Trading features enabled:
 - a. The fee for Tax Protection is 0.24% of your total account value annually, accrued daily, and billed monthly in arrears with a maximum of \$20 per month.
 - b. Axos Invest will bill all of your brokerage accounts in proportion to their holdings at the end of the month.
2. If you have the IRAutomation feature enabled:
 - a. There is a minimum fee of \$10 per year per IRA for the Tax Protection Package if you have IRAutomation enabled. For the purposes of the minimum, the year shall start on the first day of the month in which you enabled IRAutomation, and then on that date every year thereafter (i.e., if you turn on IRAutomation on September 8, 2018, then the first year is from September 1, 2018 – August 31, 2019, and the subsequent year is from September 1, 2019 – August 31, 2020).
 - b. If you had had an IRA prior to June 1, 2018, there is a minimum fee of \$5.83 (\$10 pro-rated for 7 of 12 months) per IRA for the period of June 1, 2018 – December 31, 2018. In addition, after December 31, 2018, for the purposes of minimum fees, your account will be evaluated from January 1 – December 31.
 - c. Any minimums due will initially be billed to your IRA account.
 - d. Our clearing firm, Apex Clearing, charges a \$10 charge for each IRA account that you close, and this fee will be debited from your IRA account upon closure. Please note that initiating a transfer of an IRA from Apex to another custodian will result in this fee being applied.
 - e. If you have only IRAutomation and no other features enabled, the fee is 0.24% of the value of your IRA accounts (not your personal taxable accounts) annually, accrued daily and billed monthly in arrears with a maximum of \$20 per month. The minimum fee still applies.
 - f. For any fees due from an IRA account, including minimums and closing fees, if there are not enough funds available, Axos Invest may bill your taxable account.
3. Founding Members may apply their promotional discounts toward the Tax Protection Package fee, including the minimum fee. Axos Invest may also, in its sole discretion, choose to credit Client accounts for a portion of the Tax Protection Package fee.



4. Axos Invest will notify Apex Clearing, the qualified custodian holding your Axos Invest account assets, of the amount of Tax Protection Package Fee to be paid to Axos Invest directly. If your Axos Invest account does not have enough cash to pay for the Tax Protection Package Fee, then Axos Invest may liquidate a sufficient portion of the securities in your Axos Invest account to pay the Tax Protection Package Fee. Axos Invest will notify you of the Tax Protection Package Fee paid through the Axos Invest website and/or mobile application.
5. You have the option of turning off the Tax Protection Package at anytime. Fees are accrued daily and you will be billed for the number of days you had the Tax Protection Package turned on.

II. Axos Invest Tax Protection Package Features

A. WiseHarvesting

1. WiseHarvesting is a tax loss harvesting service designed to capture investment losses in your Axos Invest investment account, which may be used to offset your taxable income and investment gains, resulting in a reduced tax liability for the year. For more information, please read our white paper on this service: <https://AxosInvest.com/assets/docs/WiseHarvestingOverview.pdf>
2. Please be aware that if you and/or your spouse have other taxable or non-taxable accounts outside of your Axos Invest account, and you hold in those outside accounts the securities held in your Axos Invest account(s), trading any of those securities 30 days before or after Axos Invest trades those same securities as part of the tax-loss harvesting strategy may trigger possible wash sales and, as a result, a nullification of any tax benefits of the strategy. For more information on the wash sale rule, please read IRS Publication 550. You may also consider opting into the Selective Trading feature of the Tax Protection Package to reduce the amount of wash sales. More information below.
3. You should confer with your tax advisor regarding the tax consequences of investing with Axos Invest and engaging in the WiseHarvesting tax-loss harvesting strategy, based on your particular circumstances. You and your personal tax advisors are responsible for how the transactions in your account(s) are reported to the IRS or any other taxing authority. Axos Invest assumes no responsibility to you for the tax consequences of any transaction.
4. WiseHarvesting is not intended as tax advice, and Axos Invest does not represent in any manner that the tax consequences described will be obtained or that Axos Invest's investment strategy will result in any particular tax consequence. The tax consequences of this strategy and other Axos Invest strategies are complex and may be subject to challenge by the IRS. This strategy was not developed to be used by, and it cannot be used by, any investor to avoid tax penalties or interest.
5. When Axos Invest replaces investments with "similar" investments as part of the WiseHarvesting tax-loss harvesting strategy, it is a reference to investments that are expected, but are not guaranteed, to perform similarly and that might lower an investor's tax bill while

maintaining a similar expected risk and return on an investor's portfolio. Expected returns and risk characteristics are no guarantee of actual performance.

6. If you turn off WiseHarvesting, depending on how the strategy has been implemented up to the date of your turning off WiseHarvesting, you may be left with some "secondary" or "tertiary" securities within your portfolio – that is those securities that were used as alternates in order to facilitate the harvesting of losses. While WiseHarvesting will no longer affect trades with the goal of harvesting losses, WiseHarvesting may sell those securities in the event that the portfolio needs to be rebalanced.

B. Selective Trading

1. Selective Trading allows you to deactivate specific exchange traded funds ("ETFs") from your Axos Invest account. Once you deactivate an ETF from your Axos Invest account, the deactivated ETF will be liquidated within one trading day and cash in your account will be used to purchase ETFs in accordance with your chosen model portfolio allocation. This may result in tax consequences.
2. Deactivated ETFs may be re-activated at any point at your discretion. Once re-activated, the reactivated ETF will be permitted to be traded again in your account.
3. Selective Trading may help to reduce the possibility of wash sales occurring if you have investment accounts outside of your Axos Invest account. Axos Invest cannot guarantee that the Tax Protection Package will prevent or reduce wash sales from occurring. Please consult your tax advisor prior to making any tax decisions.
4. Axos Invest seeks to select similar ETFs within the same asset class to enable WiseHarvesting and Selective Trading. However not all ETFs are identical and there are some differences in investments and expense ratios. Further, different ETFs may have different performance. To find out more information about the individual securities, please consult the ETF prospectuses available through the Axos Invest website.
5. Choosing to deactivate certain ETFs from your Axos Invest account may affect your portfolio characteristics and possibility of investment returns.

C. IRAutomation

1. The IRAutomation feature allows you to create IRA accounts, including:
 - a. Traditional IRAs
 - b. Roth IRAs
 - c. SEP IRAs
2. The IRAutomation feature also allows you the ability to recharacterize contributions from a Traditional IRA to a Roth IRA (sometimes referred to as a "back-door IRA conversion").
3. While you can create IRAs, you are still subject to any IRS rules regarding maximum contributions as well as limitations on eligibility for each type of IRA account based on income.
4. In order to activate this feature, you must first have \$25 in a Axos Invest taxable account, and your initial deposit to your IRA account must be at least \$25.



5. Once the feature is activated, you must maintain an account balance in IRA accounts of at least \$25 for each IRA you have open (i.e., if you have 2 IRA accounts open, you may have \$45 in one account and \$5 in another IRA account). If the account balance falls below \$25 due to client initiated withdrawals for each IRA account you have open, Axos Invest may close one or more of your IRA accounts.
6. Please review additional fee minimums pertaining to IRAutomation in the Fees section.

III. Other Terms and Conditions

1. This agreement is in addition to your Axos Invest Investment Advisory Agreement executed at the time of account opening.
2. Axos Invest may modify these Terms and Conditions at any time in its sole discretion. Axos Invest may advise you of updates to these Terms and Conditions electronically through a notification on your Axos Invest dashboard or via email.
3. Axos Invest may terminate the Tax Protection Package at any time with at least 30 days' notice to you.
4. You understand and agree that Axos Invest will not be liable for any losses incurred by you that arise out of, or are in any way connected with, any securities transaction or other act or failure to act of Axos Invest under this Agreement, including, but not limited to, any tax liability asserted against you by any federal, state or local authority with respect to your account, so long as such recommendation or other act or failure to act does not constitute a breach of Axos Invest's fiduciary duty to you. You (and in addition, for entity accounts, your representative) shall indemnify and defend Axos Invest and Axos Invest's directors, officers, shareholders, employees, affiliates and agents and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission by you or any Qualified Custodian, broker, agent or other third party, except such as arise from Axos Invest's breach of fiduciary duty to you. In addition to the above indemnities, for entity clients, your representative shall further indemnify and defend Axos Invest and Axos Invest's directors, officers, shareholders, employees, affiliates and agents and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to your assertion of your representative's lack of proper authorization from you to enter into this agreement. Anything in this section or otherwise in this agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that you may have under any federal or state securities laws.
5. This agreement supersedes any prior or contemporaneous written or oral negotiations, correspondence, or Terms and Conditions for the Tax Protection Package which are hereby cancelled. For clarity, this agreement does not supersede or cancel any Client Account Agreements or other agreements not specifically pertaining to the Tax Protection Package. If any provision hereof shall be held or made unenforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent by law or equity while most nearly



preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of the Agreement and, to that extent, the provisions of this Agreement shall be deemed to be severable.