

**FOLIO INVESTMENTS, INC.**  
**Customer Relationship Summary (“Form CRS”) dated June 27, 2020**

Folio Investments, Inc. (“Folio”) is registered with the Securities and Exchange Commission as a broker-dealer. Brokerage and investment advisory services and fees differ and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers such as Folio, investment advisers, and investing.

**“What investment services and advice can you provide me?”**

Folio provides online brokerage services. We execute the orders you provide us and hold the securities and funds in your accounts with us. We do not have offices that you can visit to meet with financial professionals. You make your own decisions about how to invest and which securities you wish to buy or sell. We do not provide you advice as to the types of investments you should or should not make or whether you should or should not buy, sell or hold any particular security or pursue a particular investment strategy. We do not monitor your investments to determine whether they are meeting your investment goals, and we do not impose any investment or balance minimums to open or maintain an account.

We offer two different online trading platforms: Folio Investing and FolioFirst. On our Folio Investing platform, you may trade most listed stocks, exchange-traded funds (ETFs) and mutual funds; our FolioFirst platform is more limited and only allows you to trade certain listed stocks and ETFs, [which we list on that website](#). You can also invest in certain unregistered securities offerings on our VIA Folio platform. We do not offer any proprietary products. [More information about our services can be found on our website](#).

We offer two different methods for executing your orders: window trades and direct trades. An order you submit for a window trade will be held until our next scheduled trading window, which occur twice a day, generally at 11 a.m. and 2 p.m. Eastern Time. You can also submit an order for execution as a direct trade, which means, during normal market hours (9:30 a.m. to 4:00 p.m. Monday – Friday), the order will be routed for execution when we receive it. [We explain both methods in further detail on our website](#).

In addition, we provide custody and execution services to the clients of registered investment advisers that utilize our custody, trading, and execution platform, which we call [our Folio Institutional platform](#).

*Conversation Starter: “Given my financial situation, should I choose a brokerage service? Why or why not?”*

*We do not provide you investment advice, which means, among other things, we do not advise you whether you should or should not choose a brokerage service, or if you choose us for your brokerage services, what type of account you should or should not open.*

**“What fees will I pay?”**

We offer different pricing plans. In some, you will pay a subscription fee on a monthly or yearly basis, which gives you, among other things, the ability to participate in a certain number of window trades each month without paying a commission. In others, you will pay a commission for each transaction as well as a quarterly service fee if you do not execute a specified minimum number of trades. In all plans, you will pay a commission for direct trades. Please refer to our pricing plans on our [Folio Investing](#) and [FolioFirst](#) platforms.

You also will pay fees for certain special services or circumstances (e.g., a fee for returned checks) and additional account fees for certain types of accounts, such as individual retirement accounts (IRAs) and [any interest we charge you when you borrow money from us](#). [A list of these fees is available on our website](#).

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

*Conversation Starter: "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?"*

## **"How else does your firm make money and what conflicts of interest do you have?"**

We **do not** provide recommendations. 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 services we provide you. Here are some examples to help you understand what this means.

When you open an account with us, we automatically enroll you in our program where we can sweep the cash in your account to FDIC-insured bank accounts. We retain a portion of the interest earned through this program as our fee. If you choose not to participate in this program, then we will not earn this fee, but we would earn a fee if your cash is used, as permitted by regulations, to fund margin loans of other customers. We retain the difference between the margin interest rate we charge and the amount we pass on to you in such circumstances.

Orders we receive from you are sent to other broker-dealers for execution. We receive payments from these broker-dealers for some of the orders we send to them, which could influence where we send the order. We do, however, monitor the quality of their executions. [Please see our Order Routing Report for additional information.](#)

We may also buy or sell securities from or to you to fill your orders. If we do so, then we may make money on the difference between the prices at which we bought or sold the security from or to you and the prices at which we bought or sold those securities.

*Conversation Starter: "How might your conflicts of interest affect me, and how will you address them?"*

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

Our employees receive a salary and other cash and non-cash compensation, which is not based on the amount or types of securities you, a retail investor, may hold, purchase or sell with us. Salespersons who market our custodial services to investment advisers are compensated in some part based on the amount of assets that are held on our Folio Institutional platform by the clients of these investment advisers. These salespersons are not compensated based on any assets you, as a retail investor, hold with us.

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

Yes, we have had a limited number of incidents since our founding in 2000 and none of our employees have a or disciplinary history. Please visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

*Conversation Starter: "As a broker-dealer, do you have any disciplinary history? For what type of conduct?"*

## **Additional Information**

We disclose additional information about our services on our websites. You may also call us at (888) 973-7890 or (855) 509-7740 to request up-to-date information or a copy of our Form CRS.