



Introduction

M1 Finance LLC (“M1”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory 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://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. Additionally, some helpful conversation starters are provided below.

What investment services and advice can you provide me?

M1 offers self-directed brokerage services to you. These services include the buying and selling of individual stocks and exchange-traded funds (ETFs) through Not-Held orders executed during two trade windows a day: a morning trade window beginning at 9:30 am ET and an afternoon trade window beginning at 3:00 pm ET. Not-held orders mean M1 has both time and price discretion on your orders. Most stocks and ETFs that are listed on major US stock exchanges, such as NYSE and NASDAQ, are available for trading, but M1 does not allow trading of certain securities due to low market capitalization or trading volume. M1 also offers certain OTC securities. M1 offers taxable brokerage accounts, tax-advantaged individual retirement accounts (IRAs), custodial accounts, and Trust accounts. M1 has minimum initial deposits for certain account types. Please visit [M1's Help Center](#) for more information. All individual and joint brokerage accounts are opened as margin accounts and customers can utilize margin through M1 Borrow, which is described in more depth on our [M1 Borrow webpage](#). M1 also offers M1 Cash Accounts as part of a sweep program. M1 “High-Yield Cash Accounts” sweep funds to Participating Banks to accrue interest on your cash balance and offers FDIC protection up to \$3.75 million. M1 Cash Accounts offer interest rates to you that are determined by M1 and are based on the amounts paid by the Participating Banks, less a fee paid to M1.

M1 Finance, LLC is an introducing broker-dealer for IRA, Trust, and Custodial accounts and a self-clearing broker-dealer for M1 Individual and Joint Brokerage Accounts. M1 services Individual and Joint account types by executing, clearing, and settling your trades, preparing and distributing your account statements and trade confirmations, and extending credit to Margin accounts. IRA, Trust and Custodial accounts are cleared by M1's affiliate, Apex Clearing Corporation, with M1 Finance acting as your introducing broker-dealer.

M1's technology allows investors to create a portfolio of stocks and ETFs of their choosing and assign target percentages to those investments such that future deposits of cash can be allocated – making use of fractional shares when necessary – in accordance with those percentages. The investment products and services offered by M1 are only offered via [our website](#) and the M1 Finance mobile application, available on [iOS](#) and [Android](#). Our firm does not have branches that customers can visit in person. Our firm does not provide any sort of investment recommendations, nor do we provide investment, tax, or legal advice. M1 also does not provide advisory services. As a self-directed brokerage, M1 does not monitor your investments against your investor profile.

For additional information, please visit our website at m1.com/invest/brokerage

Conversation Starter. Ask a finance professional:

- » Given my financial situation, should I choose a brokerage service? Why or why not? How will
- » you choose investments to recommend to me?
- » What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

M1 has a \$3 monthly platform fee and \$3 monthly IRA Fee for customers who do not meet program requirements. A customer will only be charged one fee. To learn more about how the platform fee works please visit our [M1 Platform Fee webpage](#). M1 does not charge commissions for trades or a management fee based on the value of your account. We do charge fees for certain account activities outside the normal operations of maintaining an account or placing trades, which can be viewed on [M1's fees page](#). These items include requesting paper copies of certain documents, minimum balance fees, transfer fees, IRA termination fees, mutual fund sales, and miscellaneous banking fees. For those that utilize margin through M1 Borrow, you will pay interest on the amount borrowed each month at the then current rate on our [M1 Borrow page](#).

You will pay fees whether you make or lose money on your investments. These fees will reduce any amount of money you make on your investments over time. Please make sure you understand what fees you are paying. For additional information, please see [M1's fees page](#).

Conversation Starter. Ask a financial professional:

- » 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?

What are your legal obligations to me when providing recommendations?

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

M1 *does 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.

M1 Brokerage Accounts: We make money on cash balances held in M1 Brokerage accounts and with the exception of the M1 High-Yield Cash Account, do not pay you interest on those balances. We receive payment for order flow and are compensated based on the amount of shares we send to certain execution venues. On a limited basis, M1 may fill a fractional share of your order from our inventory account. While the price received will match average price for your trade and does not include any markup or commission, M1 could benefit. Additionally, M1 makes revenue from Margin Loans in M1 Brokerage Accounts.

M1 High-Yield Cash Account: We make money from deposits into the High-Yield Cash-Account and participate in the Cash Sweep Program. We earn money on the difference (or spread) between the rate at which the Program Bank pays you for the cash and the fees paid to us by the Program Banks for the use of your cash, so M1 has an incentive to send your cash to the Program Banks, and you receive a lower yield than if the Program Banks did not pay us a fee. Furthermore, M1 will realize intellectual property gains as a result of its relationship with Intermediary Bank, such as deposit processing services. M1 may be a customer of a Participating Bank or Intermediary Bank and may have other financial interactions with a Participating Bank or Intermediary Bank.

Fully Paid for Securities Lending: Customers who are enrolled in M1's Fully Paid for Securities Lending program have the option to opt out as you so choose. We make money on certain securities that are lent out, however 10% of any revenue earned is also paid directly to your account. Some securities in the M1 Model Portfolios may result in higher revenue as a Hard to Borrow security for Fully Paid for Lending and Margin Hypothecation.

All of these may conflict with your interests. For further information, please see [M1's Disclosures page](#).

Conversation Starter. Ask a financial professional:

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

How do your financial professionals make money?

The firm's financial professionals are compensated with a mix of an annual salary, incentive stock options and bonuses that are based on their overall job responsibilities and performance. In limited circumstances, some employees may receive incentive compensation tied to the overall success of certain products. This compensation is tied to the success of the firm and there may be conflicts of interest between the firm and you as described above.

Do you or your financial professionals have legal or disciplinary history?

Yes. M1 Finance or our financial professionals have legal and disciplinary history. You are encouraged to visit [Investor.gov/CRS](https://investor.gov/CRS) or <https://brokercheck.finra.org/> for a free and simple search tool to research us and our financial professionals.

Conversation Starter. Ask a finance professional:

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

Additional Information

For additional information on M1's products and services, please visit our [website](#), including our [disclosure library](#) and [agreement library](#).

If you would like additional, up-to-date information or a copy of this disclosure, please contact us at help@m1.com or call us at 312-600-2883.

Conversation Starter. Ask a financial professional:

- » Who is my primary contact person? Is he or she a representative or an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?