

# Motley Fool Wealth Management, LLC

## Customer Relationship Summary (“Form CRS”)

December 22, 2023

This Form CRS provides information about the qualifications and business practices of Motley Fool Wealth Management, LLC (“Fool Wealth”, “us”, “we”, “our”). We are registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. Investment advisory and brokerage services and fees differ, and it is important for you to understand the 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.

### **I. What investment services and advice can you provide me?**

Fool Wealth provides **discretionary account management** services to retail clients (i.e., we implement investment decisions and make trades), which are delivered exclusively through our separately managed account or “Personal Portfolio Program” (“Program”). Some of our Program retail clients are also eligible to receive **nondiscretionary advice** (i.e., we only make the recommendation), which consists of: (i) financial review and counseling services for clients investing \$300,000 or more in our Program, or that are evaluating potential investments in affiliated private funds (“**Counseling Services**”); and (ii) financial planning services for clients with \$1,000,000 or more invested in our Program (“**Financial Planning Service**”). Clients that have at least \$100,000 invested in our Program are also permitted to count (towards the \$1,000,000 minimum) their investments in, or certain family members investments in, products and services offered by certain of our affiliated investment advisory entities.

**Discretionary Services.** Our Program enables Clients to own individually tailored portfolios that employ a mix of strategies and asset classes (“**Model Portfolios**”). Each Model Portfolio focuses on a particular investment strategy (such as long term buy and hold), type of security (such as growth stocks) or asset class (such as international equities). Through our Program, we offer both actively-managed accounts that primarily invest in individual securities (although some use Exchange Traded Funds (“ETFs”)) and index-based accounts that invest exclusively in ETFs. Account minimums generally start at \$6,000, but can be much higher based on account allocation, holdings and strategies (e.g., use of options and shorts). We allocate assets in each client’s account among one or more Model Portfolios based on their responses to an **online questionnaire** regarding their financial information, risk tolerance, time to retirement, and need to access assets. We automatically rebalance accounts every 13 months (unless a client opts-out) based on current advice, but we do not otherwise periodically monitor and adjust client accounts. Clients can modify our suggested asset allocations **at their own risk** and place reasonable restrictions on their account (e.g., restrict specific securities). Brokerage and custody services for the Program are provided by Charles Schwab & Co., Inc. and Interactive Brokers, LLC.

**Nondiscretionary Services.** Our Counseling Services are provided **solely** in connection with our Program, are offered **free of charge**, and afford eligible clients an opportunity to speak with a financial planner. For example, these planners answer client questions about financial goals and circumstances and provide asset allocation advice. Financial Planning Services are also provided on a **complimentary basis** and include a mix of nondiscretionary services, such as retirement, investment, estate, tax and education planning. **Clients are ultimately responsible for implementing any financial planning recommendations.** For more detailed information regarding our services, please see Items 4.B. and 4.C of our Brochure ([Part 2A of Form ADV](#)).

**Key Questions to Ask:** “Given my financial situation, should I choose an investment advisory service? Why or why not?”; “How will you choose investments to recommend to me?” and “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?” [Here are our answers.](#)

### **II. What fees will I pay?**

For access to the Program, clients pay Fool Wealth an asset-based fee (“AUM Fee”) that is calculated using an annual percentage of the market value of the assets in a client’s accounts. The AUM Fees vary between our actively-managed and index-based Personal Portfolio Programs, but both are subject to “break points” (i.e., clients receive a discount for making larger investments). For actively-managed accounts, clients pay 0.95% on the first \$1,000,000 invested, and 0.75% on amounts over \$1,000,000. Similarly, index-based clients pay 0.40% on the first \$1,000,000 invested, and 0.30% on amounts over \$1,000,000. Clients can combine their accounts and additional accounts having the same address (usually in a family member’s name) for breakpoint purposes. **Clients are responsible for notifying Fool Wealth of their eligibility for breakpoints by emailing [support@foolwealth.com](mailto:support@foolwealth.com) or contacting a representative.**

In addition to our AUM Fee, clients pay transaction fees (e.g., brokerage commissions) and custodian account fees. Personal Portfolios investing in ETFs are also subject to separate ETF fees and expenses that are passed along to clients. Certain legacy clients paid an upfront flat-fee for access to our Program, but we no longer accept clients on a flat-fee basis. For more detailed information regarding our AUM Fee, please see Item 5 of our Brochure ([Part 2A of Form ADV](#)).

**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.**

**Key Questions to Ask:** *“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?”* [Here are our answers.](#)

**III. What are your legal obligations to me when acting as my investment adviser?  
How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, 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 investment advice we provide you. Here is an example to help you understand what this means:

While we do not sell proprietary investment products, nor do we or any Fool Wealth employee receive compensation for directing clients to or providing investment advice in connection with affiliated advisory products or services, the purchase of affiliated products or services would enhance enterprise profitability. Similarly, our financial planners recommend 401(k) and IRA rollovers into our managed accounts. Such recommendations and advice generate additional fees for Fool Wealth and its affiliates posing potential conflicts. Fool Wealth also enters into agreements to pay third parties or current clients to give endorsements or testimonials regarding our services in order to solicit and/or refer prospective clients, which creates conflict. Additional information on our conflicts of interest can be found in Item 11 of our Brochure ([Part 2A of Form ADV](#)).

**Key Questions to Ask:** *“How might your conflicts of interest affect me, and how will you address them?”* [Here are our answers.](#)

**IV. How do your financial professionals make money?**

Our financial professionals are compensated with a competitive base salary and are also eligible for discretionary bonuses in the form of restricted stock grants of our parent company. Bonuses are based on an individual’s performance, the profitability of Fool Wealth and affiliated businesses, and other considerations. Our financial professionals do not receive transaction-based compensation, nor are their bonuses tied to the performance of client accounts.

**V. Do you or your financial professionals have legal or disciplinary history?**

No for Fool Wealth. Yes for financial professionals. Free and simple tools are available to research us and our financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS).

**Key Questions to Ask:** *“As a financial professional, do you have any disciplinary history? For what type of conduct?”* [Here are our answers.](#)

**Additional information about our investment advisory services can be found on our website <https://foolwealth.com> and the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To request a copy of this Form CRS please contact us at [support@foolwealth.com](mailto:support@foolwealth.com).**

**Key Questions to Ask:** *“Who is my primary contact person? Is he or she 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?”* [Here are our answers.](#)