



FolioBeyond, LLC
1050 Park Avenue, Suite 6A
New York, NY 10028
(212) 397-7539
info@foliobeyond.com
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Item 1. Introduction

This Client Relationship Summary (“Form CRS”) provides important information about FolioBeyond, LLC (“FolioBeyond”), an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Brokerage and investment advisory services and fees differ across investment advisers, 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, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

We offer investment advisory services to retail and institutional investors. We deliver these services primarily using automated computer algorithms intended to meet investors’ investment objectives and to manage the level of risk investors may be subject to. Our algorithms incorporate historical and current market information to determine how much of an investor’s portfolio should be invested in various pre-selected exchange traded funds (“ETFs”). These algorithms operate without direct human decision-making with regard to the specific portfolio allocations to various ETFs, although human judgement is used in determining which ETFs may be eligible for investment, and in the design, construction and periodic modification of the algorithms themselves. Our advisory services are made available to retail and institutional investors either as an ETF (the FolioBeyond Rising Rates ETF, ticker: RISR), as a separately managed account (“SMA”) for both equities and fixed income strategies, or as an index (the S-Network FolioBeyond Optimized Fixed Income Index) through a number of Turnkey Asset Management Platforms (“TAMPs”).

All investors who purchase RISR or the index through a TAMP will receive substantially similar portfolio allocations. Investors who purchase an SMA have the option to customize our algorithms somewhat in order to meet their specific objectives. But even in this case, the algorithm will operate without direct human input. Our investment advisory services have the following characteristics: (i) **Monitoring:** We generally monitor investors’ portfolio allocations daily, although trades may not occur on each trading day; (ii) **Investment Authority:** Our investment advisory services generally require that we have discretionary authority over investors’ portfolios, since it would be impractical to obtain investor consent to the algorithmically determined trading and portfolio allocation decisions. Investors always have the ultimate authority to purchase or sell their investment portfolio in whole or in part on a daily basis, although less frequent liquidity may be permitted for certain SMAs. We may also provide model portfolio allocations investors may use to execute trades on their own; (iii) **Limited Investment Offerings:** Our advice is limited to specific algorithmic investment strategies, and we do not offer general investment advisory services as do most traditional investment advisers; and (iv) **Account Minimums and Other Requirements:** RISR is available for purchase in any amount subject to minimum share purchase. The minimums for an index allocation are set by the TAMP offering that index. Our minimum investment for an SMA is generally \$20,000.

For additional information, please see [Items 4 and 7 of our Client Brochure](#) (Form ADV Part 2). You should also consider the following questions and answers before deciding to become a client.

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

We believe many retail investors do not have the time, expertise or resources to prudently manage their investments, especially during periods of market volatility. In such cases, employing the services of an investment advisor can be beneficial because it allows such investors to focus on assessing their overall financial goals, rather than trying to select specific investments, make complex assessments of relative value among competing investment opportunities and manage risk. We further believe an algorithmic approach like the one we utilize may have benefits for many investors, since it eliminates emotion and indecision which studies have shown may lead to reduced long-term investment performance for individual investors.

How will you choose investments to recommend to me?

Our investment decision process is fully automated and does not include a role for direct human investment recommendations. Instead, we have developed complex computer algorithms that weigh many historical and current market factors to construct diversified equity and fixed income portfolios intended to meet investors’ investment objectives and manage risk over time. Our algorithms select from a pre-selected universe of ETFs to allocate over an investor’s portfolio. Most importantly, these algorithms consider various market factors such as volatility, quality, value, and small size in the case of equities and relative value, volatility, correlations across ETFs, momentum, stress test, and observed and implied volatility in the case of fixed income to determine how much of an investor’s total portfolio should be invested in each ETF. Our algorithms can be used for portfolios consisting solely of equities, solely of fixed income, or a mix of both asset class. In the case of a mixed portfolio, we determine the share of the portfolio to be allocated to each asset class based on the investor’s overall risk appetite.

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

Our principals have decades of direct experience in institutional asset management and in the creation of complex financial models. All members of the management team responsible for investment management also have advanced technical degrees in finance, economics, math or engineering, or other relevant scientific fields. Members of our technical development team are highly experienced in developing and maintaining complex computer programs

and information systems, using modern development tools. We believe the skill set of our management team allows us to deliver robust and highly adaptable investment strategies that may be useful in managing retail investors' portfolios in a manner that can meet their investment objectives and is consistent with prudent risk management.

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

We charge fees to investors based on the value of the investment portfolio we manage for them. The management fee for our ETF is fixed as a percentage of the fund's assets under management ("AUM") and is currently 1.01% per year, a portion of which is paid to the sponsor of the ETF. As the size of the ETF increases, this fixed cost will decline as a percentage of AUM.

We also offer a co-branded index through a number of TAMP providers. The fee we charge for the index product is currently 0.30% per year, a portion of which is paid to the index sponsor. The end TAMP users will incur additional fees charged by the TAMPs which typically are approximately 0.10% per year, but which can be higher.

The fees we charge to investors owning an SMA start at 0.75% per year and may be lower on a percentage basis for investors owning comparatively large positions relative to investors owning comparatively small positions.

In addition to the fees we charge, investors may also incur costs for commissions and, in the case of SMAs, custodial fees. The ETFs we invest in also charge management fees which we do not control, but we do seek to identify ETFs with comparatively low fees, among other considerations.

Since we do not charge fees based on the volume of trading that occurs in an investor's account, we believe this mitigates potential conflicts of interest that can arise with alternative fee structures that do permit such fees. It is important to note, however, that our fees do increase on an absolute basis, if the value of an investor's portfolio increases, whether as a result of our advice or otherwise, or because we persuade you to increase the amount of funds we manage for you. 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.

For additional information, please go to our website at www.foliobeyond.com, or see our [Form ADV, Part 2A brochure](#).

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?

Because our fees are incurred and payable on a quarterly basis in arrears, 100% of an investor's initial investment will be invested pursuant to our strategies. Thereafter, the quarterly fee we charge will be withdrawn from your account. On an initial investment of \$10,000, ignoring potential changes in value over time, our fees for investor in our ETF would total \$101.00 per year. If the investment returns do not exceed the amount of our fee in any period, then your investment portfolio will be reduced by the amount of fee we charge in that period.

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 may create 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: One the one hand, because we do not charge commission or fees based on the number or value of transactions we make in your account, we do not have an incentive to engage in excessive trading activity. On the other hand, our fees increase as the value of your portfolio increases, but we do not suffer any direct loss (aside from reduced fees) when the value of your portfolio declines. Consequently, we could have an incentive to employ risky strategies that could, but are not assured, to generate high returns. This potential conflict is mitigated, but not eliminated, by our goal of managing our strategies to match the long-term volatility of publicly disclosed indexes that we do not control or influence.

For additional information, please see our [Client Brochure \(Form ADV2\)](#).

How do your financial professionals make money?

The financial professionals in our firm are compensated through salary and potential cash bonuses. In addition, all senior professionals employed by our firm share in the overall profitability of the firm through equity participation in form of stock ownership, and options or warrants currently held, or which could be granted in the future. In addition, certain employees may receive compensation that is tied to the amount of investor assets they are able to bring to the firm. This could take the form of a bonus or share of the fees we earn from such assets. It important to note, however, that none of our financial professionals provide investment advice directly to individual investors and are not compensated on that basis. Our investment advisory services are provided entirely via software.

Item 4. Disciplinary History

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

No. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Item 5. Additional Information

For additional information about our services, please refer to our website <http://www.foliobeyond.com/>, or review our Form ADV, Part 2A brochure which is available from the SEC at <https://adviserinfo.sec.gov/firm/summary/298234>. We can also be reached via email at: info@foliobeyond.com, or you may call us at (212) 299-5526.

