

Dec. 18, 2020

# Client Relationship Summary

Financial Engines Advisors L.L.C. is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for a retail investor 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. *Planning to talk with one of our branch office planners or National Advisor Center advisors? Look for the shaded boxes in this document – you'll see helpful questions you might want to ask.*

## What investment services and advice can you provide me?

We offer investment advisory services to investors via employer-sponsored defined-contribution retirement accounts, Individual Retirement Accounts and taxable investment accounts. We provide clients a strategy to help them reach their financial goals. We are also able to offer advice for other aspects of financial planning. Our investment services and advice are available online or through one of our financial professionals. Help from our professionals is available both via the workplace and one of our branch offices.

**Retail services** primarily consist of a wrap fee program which features diversified asset allocation models appropriate for each client's needs, typically invested in mutual funds and exchange-traded funds. These accounts are reviewed daily. When clients establish a wrap fee account, they give us limited discretionary authority to place orders through custodians, select investments in their model, reallocate assets and rebalance accounts in accordance with their investment objectives. Wrap fee clients may place reasonable restrictions on their accounts. The household minimum for a wrap fee account is \$5,000. This minimum may be reduced or waived at our discretion.

**Professional Management** accounts, if available through your workplace, are typically reviewed at least monthly. When clients enroll in Professional Management, they grant us discretionary authority to allocate their plan assets among available plan investments and reallocate assets in accordance with their investment objectives. Professional Management clients may place reasonable restrictions on their accounts. There is a \$10,000 minimum for Professional Management clients who wish to have a managed IRA. This minimum may be reduced or waived at our discretion.

**Online Advice** is a non-discretionary service. Accounts advised in Online Advice are reviewed at your initiative and you decide whether and when to purchase or sell investments. Please see Items 4 and 7 of our [ADV](#) on our website, [EdelmanFinancialEngines.com](https://EdelmanFinancialEngines.com), for more detailed information about our services.

*Given my financial situation, should I choose an investment advisory 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?

The fees for our services depend on: (1) whether services are accessed through the workplace or directly, (2) the scope of services authorized by the plan fiduciary for workplace services, (3) the level of service chosen, (4) how you became a client, and/or (5) whether services were first accessed before Nov. 1, 2018.

Professional Management fees are calculated as a percentage of Assets Under Management (AUM).

Wrap fee clients pay a wrap fee, which includes most transaction costs and fees to a broker-dealer that has custody of these assets. The wrap fee does not include certain account and securities-related costs, including those embedded in the mutual funds and ETFs the model is invested in.

We also earn subscription fees for an investor newsletter, fixed fees if you access Online Advice directly, and a one-time fee of \$800 for financial plan development, which can be waived in part or in whole. When accessing Online Advice through the workplace, you do not pay fees directly. Instead, fees are paid by the plan, the plan sponsor or the plan provider. Please see Items 5 and 14 of our [ADV](#) on our website for more detailed information about our fees and costs.

*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.*

*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 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. Our planners have an economic incentive to encourage you to invest money through them, since this increases their compensation (because they are paid in part based on the assets they manage). While we do not believe this is a material conflict, you should be aware of this. Please see our [ADV](#) on our website for more detailed information about our conflicts of interest.

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

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

Planners in our branch offices are paid a percentage of AUM, with lower percentages for inherited clients, and a percentage of new assets brought into the firm. New planners are initially paid a salary to build up AUM and are eligible for the above new assets payout. Planners are also eligible for one-time payments, e.g., \$400 for meeting with someone who does not become a client and up to \$5,000 for certain new client referrals (based on relationship size). Top-performing planners also receive potential deferred incentive compensation tied to firm performance. Advisors in our National Advisor Center are paid a salary and an annual bonus based on firm and individual performance, and are eligible for variable compensation that is not tied to the sale of specific products. Neither planners nor advisors are compensated based on client complexity, time spent with clients and products in which the client is invested in, nor do they receive commissions on any investments our clients may invest in through the firm.

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

Yes. Some of our financial professionals have disclosures. Please visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple tool to research our firm and our financial professionals.

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

*For additional information about our investment advisory services, or to request a copy of this Form CRS, please call us at (800) 601-5957 or visit [EdelmanFinancialEngines.com](https://www.EdelmanFinancialEngines.com) for our [ADV](#), [Wrap Fee Brochure](#) or this **Form CRS**.*

*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?*