

## eToro USA Securities Inc.

Form Customer Relationship Summary (“CRS”)

August 2021

eToro USA Securities Inc. (“eToro Securities” or “we” or “our”) 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”). Free and simple tools are available for you 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.

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

eToro Securities offers app-based (and online) brokerage services allowing retail investors (hereinafter, “customers”), which are currently limited to individuals or corporate entities located within the United States, to purchase and sell publicly traded securities commission free. We offer customers the ability to trade certain stocks and exchange-traded funds (“ETFs”). eToro Securities is an introducing broker-dealer which means your funds and securities will be custodied by our designated clearing firm, Apex Clearing Corporation (“Apex”). Apex is responsible for servicing your account by executing, clearing, and settling your trades; preparing and distributing account statements and trade confirmations; and extending credit to margin accounts. All securities listed on the eToro Platform, as defined below, are supported by Apex and approved by eToro Securities. Our brokerage services are self-directed, which means that we execute trades only upon your instruction and have no discretion over your account activity. eToro Securities does not make recommendations regarding securities transactions or investment strategies involving securities. We do not monitor your account or the trade instructions you submit for suitability. We offer access to investment tools and education to help you make investment decisions, but these tools are provided for informational and educational purposes only. It is exclusively the customer’s responsibility to select assets that satisfy their individual needs.

eToro Securities, together with its affiliate, eToro USA LLC (“eToro MSB”) operate an online platform (the “eToro Platform”). The eToro Platform allows customers to invest in: (1) certain cryptocurrency assets (“Crypto Assets”); and (2) publicly traded securities which currently include: ETFs) and full and partial shares of stock trading on major U.S. exchanges (“Stock”) (collectively “Securities”). Crypto Assets transactions are facilitated by eToro MSB, which is not a member of FINRA or SIPC. To use the eToro Platform all customers must have accounts with eToro MSB and eToro Securities. Therefore, residents of States in which eToro MSB is unable to or chooses not to offer its services, including but not limited to the State of New York and Hawaii, are prohibited from obtaining such services from eToro Securities and its affiliates. The eToro Platform does not offer mutual funds, different account types, fixed income securities (except in the form of ETFs), or proprietary products. eToro Securities currently requires customers to maintain a minimum account size of \$50.

For additional information about our services, please see eToro Securities’ Customer Agreement, <https://www.etoro.com/en-us/customer-service/disclosures/>.

### **Conversation Starters**

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?**

eToro Securities does not charge commissions for brokerage services.

### **Other Fees and Costs**

Customers may incur charges imposed by the designated custodian and other third parties. These include transfer fees, administrative fees and other fees and taxes on brokerage accounts and securities

transactions. ETFs also charge internal management fees, which are disclosed in the fund’s prospectus. eToro Securities does not receive these fees or any other compensation from ETF managers.

eToro’s affiliate, eToro MSB, may charge you fees for the services it offers with respect to buying and selling Crypto Assets and certain custodial wallet services. All fees can be found on our fees page (INSERT LINK). Customers participating in the Platform may also use other products or services available through our affiliates and, in such cases, pay additional fees for such services. Separate and apart from the Platform, we may recommend to customers the purchase of other non-securities related products and services available through us and our affiliates. We or our affiliates may receive fees with respect to such non-securities related products and services.

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 regarding our fees and costs, please see the eToro Fee Schedule, <https://www.etoro.com/en-us/trading/fees/>.

**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?

**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?**

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.

- eToro Securities will share in revenue earned on securities lending, margin, payment for order flow, and other ancillary fees generated by Apex.
- eToro Securities is incentivized to promote services provided by its affiliate, eToro MSB, because it indirectly benefits from revenue generated from such services, given common beneficial ownership.

For additional information about conflicts of interest, please see <https://www.etoro.com/en-us/trading/fees/>.

**Conversation Starter**

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

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

eToro Securities’ financial professionals receive salaries and bonuses that are based on their overall job responsibilities and performance. eToro Securities’ financial professionals do not receive commissions or other compensation related to customer assets or customer investment activities.

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

Neither eToro Securities nor their staff have any legal or disciplinary history. However, certain entities affiliated with eToro Securities through its parent eToro Group Ltd. do have disciplinary histories. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research eToro Securities and its financial professionals.

**Conversation Starter**

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

**Where can I find additional information?**

For additional information about our brokerage services or to request up-to-date information and a copy of our CRS, please email [help@etoro.com](mailto:help@etoro.com), visit <https://www.etoro.com/en-us/customer-service/>, or call 1-

800-867-5309. Responses to the conversation starters included in this CRS are available <https://www.etoro.com/en-us/customer-service/disclosures/>.

Additional information about our financial professionals and the Firm can also be found at <https://brokercheck.FINRA.org>.

**Conversation Starters**

Who is my primary contact person? Are they 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?