

Part 2A of Form ADV: Firm Brochure

Item 1: Cover Page

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Date: March 27, 2015

Note: This brochure is prepared in accordance with the rules and regulations of the SEC and provides information about the qualifications and business practices of Jemstep, Inc. If you have any questions about the contents of this brochure, please contact us at compliance@jemstep.com. The information in this brochure has not been verified or approved by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Jemstep, Inc. is also available at the SEC's website at www.adviserinfo.sec.gov.



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Item 2: Material Changes

We are required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure.

The following are the material changes to this brochure from our last annual update, dated March 27th, 2014:

Item 4: Advisory Business: This section has been updated to include a description of our new technology platform for investment advisors, Jemstep Advisor Pro. Corresponding changes have been made throughout the Brochure to contemplate the offering of Jemstep Advisor Pro.

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Item 4: Advisory Business

A. General description of the Firm

Jemstep, Inc. ("Jemstep") is a Silicon-Valley based provider of online investment technologies. Our retail offering, known as Jemstep Portfolio Manager, is a software-based advisory service that provides users with online access to unbiased, personalized online investment advice which is designed to help them improve their financial outcome for retirement. Our investment advisor platform, known as Jemstep Advisor Pro, is specifically focused on helping investment advisors engage, acquire and service new clients efficiently through an online platform that features a paperless onboarding process. While the Firm continues to support new and existing clients of Jemstep Portfolio Manager, the Firm is no longer actively marketing Jemstep Portfolio Manager and Jemstep Advisor Pro has evolved into our main business.

Jemstep has been in business since 2008 and is privately owned without a 25% shareholder or "principal owner" (a person who owns or controls 25% or more of the firm).

B. Summary of Jemstep's Advisory Services

Jemstep Portfolio Manager

Jemstep Portfolio Manager is an online service which makes it easy for users to manage and invest their entire retirement portfolio, including their 401k accounts. The service provides holistic investment advice that helps users optimize their retirement portfolio across all of their accounts.

Jemstep Portfolio Manager guides users through an easy four-stage process:

- i) Users are asked several questions about their retirement goals, financial situation, time horizon, risk tolerance and investment preferences.
- ii) Users are then prompted to securely link their retirement-focused accounts, which may include 401k accounts, together with other taxable and tax-deferred accounts earmarked by the user for retirement. Accounts are linked via a third-party aggregation service with read-only access. Users have the option of also manually linking their accounts.
- iii) Based on the user's information, Jemstep's patented investment technology performs a holistic analysis of the user's existing portfolio and identifies an appropriate target asset allocation for the user based on the user's risk tolerance and other factors.
- iv) Jemstep then provides step-by-step guidance on which specific investments to buy, sell or hold in each investment account in order to transition to the target asset allocation. Importantly, Jemstep considers the user's existing portfolio and helps manage

the transition - through a series of actionable steps -from the existing portfolio to a more optimized portfolio taking fund quality, fees, tax consequences and other transactional costs into account.

Jemstep Portfolio Manager also provides ongoing alerts and recommendations to help users periodically rebalance their portfolios, ensuring they remain on track with their target allocation.

Jemstep's personalized recommendations are accomplished through its investment technology platform which incorporates:

- ***Carefully-designed portfolio asset allocations:*** Jemstep's asset classes and asset allocations are selected based on their historical growth, their historical risk and their historical tendency to fluctuate independently of one another. The goal is to apportion an investor's investments across multiple asset classes that work well together to reduce the overall volatility of a portfolio, while providing a strong projected portfolio growth rate. Over time, Jemstep will recommend rebalancing the portfolio to optimize returns. Jemstep will also adjust the allocation as the investor's financial circumstances or ability to absorb risk change. For example, as the investor grows closer to retirement, Jemstep automatically adjusts the investor's target asset allocation and action plan accordingly.
- ***Our patented ranking engine for mutual funds and ETFs:*** Jemstep's patented engine is designed to determine which funds in any given asset class are appropriate for the investor to own. It tracks over 50 different parameters for thousands of mutual funds and ETFs every day. For each fund, it evaluates attributes including risk-adjusted returns, volatility, tax efficiency, performance in up and down markets, fees and many others.
- ***Portfolio heuristics:*** Jemstep's investment technology includes a multitude of portfolio management principles that have typically only been available to high net-worth investors. For example, our platform considers the impact of cost basis, unrealized capital gains and losses, and the benefit of optimal asset placement to maximize after-tax investment returns.

Jemstep Advisor Pro

Jemstep Advisor Pro is a technology platform service designed to help investment advisors automate key processes in their practice, centered on assisting advisors in attracting, engaging and converting prospects into clients, and serving those advisors in a cost efficient and scalable manner. Jemstep Advisor Pro is a service licensed to the investment advisor for use with potential clients, and Jemstep has no contractual, fiduciary, investment advisory or other relationship with the end-user client. The client's sole contact is the

advisor, and if the client chooses to enter into an advisory relationship, the relationship will be between the client and the advisor, not Jemstep.

As part of the Jemstep Advisor Pro service, Jemstep makes available to investment advisors a set of model portfolios that they may elect to use in the platform at their discretion. In the event the investment advisor elects to use the model portfolios, the investment advisors will be responsible for interposing their own judgment in making investment decisions, for implementing and trading the model portfolios and for determining whether the model portfolios are suitable for the end-user client. Jemstep will have no obligation or responsibility to provide individualized advice based on the circumstances of any particular end-user client, or for determining the appropriateness or suitability of the model portfolios, or of any securities included from time to time in the model portfolios, for any particular end-user client account. No additional fees are charged for access to and use of the model portfolios.

C Tailored services

Jemstep Portfolio Manager

Jemstep Portfolio Manager is tailored to the individual needs of its clients. In order to obtain investment recommendations related to asset allocation and fund selection, users are required to provide certain information. This is achieved by directing users to answer various questions and provide basic information, including, among other things, age, risk tolerance, time horizon and investment preferences. Based on the answers provided, Jemstep makes investment recommendations that are tailored to the user's profile. Jemstep employs its own proprietary methodology and technology in making its investment recommendations.

Jemstep Advisor Pro

The asset allocation models provided as part of Jemstep Advisor Pro represent model portfolios that are used at the option of the investment adviser. A user's investments are mapped to one of the model portfolios appropriate for the user, based on the user's age, risk tolerance and time horizon, using methodologies embedded in the Advisor Pro platform. However, it is the responsibility of the advisor to ensure the models and securities included from time to time in the models are appropriate for its end-user clients.

D Wrap Fee Programs

Jemstep does not participate in any wrap fee programs.

E Assets under management

Jemstep does not maintain assets under management. Jemstep does not manage client assets, nor does it exercise discretionary authority, implement investment decisions or trade any user's account in either Jemstep Portfolio Manager or Jemstep Advisor Pro.

Item 5: Fees and Compensation

A. Jemstep Portfolio Manager

Jemstep Portfolio Manager provides a set of services to the consumer which are free ("basic services"), and other premium services for which a fee will be charged ("premium services"). A full list of the free services and the premium services is available on Jemstep's website. The following terms apply to fees for premium services:

- (i) A monthly subscription fee is charged for the premium services, the amount of which depends on the value of assets associated with each user's account. The monthly subscription fees and corresponding value of assets are as follows:

Assets	\$0 \$25,000	- \$25,001 - \$150,000	\$150,001 - \$300,000	\$300,001 \$600,000	- \$600,001 and above
Fee	free	\$17.99 p/m	\$29.99 p/m	\$49.99 p/m	\$69.99 p/m

(ii) For the purposes of this Section, *unless otherwise indicated*, (i) "assets" are defined as the total value of the accounts linked to Jemstep's service, including accounts that are imported automatically and/or accounts that are entered manually on the website; (ii) a "billing cycle" is defined as each 30 day period from the date a user registers for the premium services.

(iii) Jemstep initially charges for three billing cycles in advance ("initial subscription period"). Subscription fees paid for the initial subscription period are non-refundable. After the initial subscription period, users are billed in advance for each single billing cycle.

(iv) Users may cancel their subscription at any time after the initial subscription period. The termination or cancellation of a subscription for any reason will only take effect at the end of the current billing cycle and no prorated refunds will be given. In the event of said cancellation, access to the premium features will only be switched off at the end of the current billing cycle.

(v) If during any billing cycle a user adds another account or increases the assets in an existing account linked to the Jemstep service, whether automatically or manually, resulting in a higher subscription fee being applicable, Jemstep will modify the subscription and the user will be billed the higher subscription fee in that billing cycle on a prorated basis. The user will be notified of the higher subscription rate at the time of adding the account and/or increasing the assets in an existing account (as the case may be).

(vi) If on any given date ("the trigger date") the value of assets in an existing account/s:

- increases solely due to upward market movements, which would result in those assets triggering a higher subscription fee, Jemstep agrees not to bill the user at the higher subscription fee for a period of 90 days ("grace period") from the trigger date. After the grace period, provided the value of assets still remains at the level applicable to a higher subscription fee, Jemstep will modify the subscription and the user will be billed the higher subscription fee, effective from the day following the expiry of grace period. The new subscription fee will be prorated for periods of less than a full billing cycle;

- decreases solely due to downward market movements, which would result in a lower subscription fee being applicable, Jemstep will modify the subscription and charge the lower subscription fee with effect from the next billing cycle, provided the lower subscription fee remains applicable at that time given the concurrent value of assets.

(vii) If a user adds another account or increases the assets in an existing account linked to the Jemstep Portfolio Manager service, whether automatically or manually, during any grace period referred to above, resulting in a higher subscription fee being applicable, the grace period will fall away and the user will be billed the subscription fee applicable to the total aggregate value of assets linked to his Jemstep account at that time. The new subscription fee will be prorated for periods of less than a full billing cycle.

(viii) If a user deletes an account or decreases the assets in an existing account linked to the Jemstep Portfolio Manager service, whether automatically or manually, resulting in a lower subscription fee being applicable, Jemstep will modify the subscription and the user will be billed the lower subscription fee with effect from the following billing cycle. Modified subscription rates for account decreases caused by any reason whatsoever will take effect from the billing cycle following the decrease and no prorated adjustments will be made for the billing cycle in which the decrease occurred.

(ix) Jemstep Portfolio Manager may run promotions or introduce discounts and special offers from time to time.

- B. No fees are deducted from our users' account assets. Users who wish to purchase the premium services of Jemstep Portfolio Manager are asked to provide their credit card information on the website, and are billed by Jemstep for services rendered.
- C. Clients may incur certain other costs and fees billed by third parties. These relate to brokerage costs charged by their brokers for the execution of trades, and in some circumstances custodian fees. Jemstep does not execute trades for users, and users must therefore make their own arrangements for execution of any desired trades at their own cost.
- D. Jemstep Portfolio Manager charges fees in advance as outlined in Section A above.
- E. Neither Jemstep nor any of its representatives accept compensation for the sale of securities or other investment products. Recommendations, search results, rankings and comparisons are fully comprehensive and entirely objective, and are not based on any arrangement or relationship that Jemstep may have with any service or product provider. Sponsored listings are not entertained.
- F. Jemstep Advisor Pro

Fees for Jemstep Advisor Pro are billed to the investment advisor for use of the Jemstep Advisor Pro platform. These fees are based on a specified percentage of assets under the advisor's management procured through the Advisor Pro platform and are billed quarterly in arrears. Advisors are also charged a once-off set-up fee which covers the set up and customization of the platform to suit the advisor's requirements, branding specifications and other specific integration requirements. The fees paid to Jemstep are the same whether or not the investment adviser utilizes the Jemstep model portfolios that are offered as part of the service.

Item 6: Performance-based Fees

Neither Jemstep nor any of its representatives charge any performance-based fees.

Item 7: Types of Clients

(i) Jemstep Portfolio Manager

Jemstep Portfolio Manager is aimed at individual investors who seek personalized, objective and actionable investment advice designed to help them manage and grow their investments for retirement. Our clients comprise a broad range of individual investors, ranging from newcomers to more sophisticated and experienced investors.

To access Jemstep Portfolio Manager (both free and premium services) the user is required to set up an account so that we can maintain privacy and security in relation to the user's confidential information and save the user's profile for future visits to the website.

In order to register an account on Jemstep Portfolio Manager, a user is required to provide Jemstep with the following information:

- Name
- E-mail address
- Zip Code
- Password (created by the user)

The user is also required to acknowledge agreement with our Terms of Use and Investor Agreement which are available on the website.

(ii) Jemstep Advisor Pro

Jemstep Advisor Pro's clients are primarily registered investment advisors and broker-dealers.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

(i) Jemstep Portfolio Manager

A. Methods of analysis

Portfolio selection

Jemstep's approach for building investment portfolios is based primarily on the tenets of Modern Portfolio Theory. Our asset allocations make use of carefully chosen asset classes. Our asset classes and asset allocations are selected based on their historical growth, their historical risk and their historical tendency to fluctuate independently of one another. The goal is to carefully apportion the investor's investments across an appropriate number of asset classes that work well together to reduce the overall volatility of a portfolio, while providing a strong overall growth rate.

Fund selection

Jemstep's patented ranking engine determines which funds in any given asset class are appropriate for the particular investor. It tracks over 50 different parameters for thousands of mutual funds and ETFs every day. For each fund, it evaluates attributes like risk-adjusted returns, volatility, tax efficiency, performance in up and down markets, and many others. The main sources of information used by Jemstep in making its fund selection include detailed historical and current information, and performance and related data.

Jemstep's rankings and recommendations cannot be interpreted as a guarantee of future performance. Investing in securities involves risk of loss that clients should be prepared to bear. For a more detailed explanation of the risks involved, see [Items 8B and 8C](#).

B. Material risks

Jemstep conducts its analyses using detailed historical information. As with any investment, a fund's past performance is no guarantee of its future success.

Jemstep relies on third parties for the provision of market statistics, fund details, performance and related information and although these parties are reliable and reputable, there may be inaccuracies or discrepancies in the information that is beyond Jemstep's control.

- Jemstep's recommendations are based on information provided by the user, and relies on the user to provide accurate information that appropriately describes the user's preferences, goals and related information. If the user provides inaccurate information, this will impact the relevance of the recommendations to the user.
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C. Material risks specific to types of securities

Jemstep's "buy" recommendations focus on mutual funds and ETF's as opposed to individual stocks or other investments.

There is no guarantee that a mutual fund or ETF (collectively, "fund") will achieve its objective. The fund's share price fluctuates, which means you could lose money by investing in the fund. Funds may differ from one another in terms of investment style, objectives, management, geographical markets, fund holdings and many other factors. For a full appreciation of the risks inherent in any specific fund, clients should read the prospectus of the fund in question.

Below is a general summary of principal risks related to a fund, but this is not intended to be exhaustive or to replace the risks detailed in any fund prospectus:

- *General:* As with any investment, you could lose all or part of your investment in the fund, and the fund's performance can trail that of other investments.
- *Asset class risk:* Securities in the fund's portfolio or underlying index may underperform in comparison to the general securities markets or other asset classes.
- *Equity Securities risk:* Equity securities (stocks) are subject to changes in value and their values may be more volatile than other asset classes. Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. The value of a stock in which the fund invests may decline due to general weakness in the stock market or because of factors that affect a company or a particular industry.
- *Issuer Risk:* Fund performance depends on the performance of individual securities in which the fund invests. Changes to the financial conditions or credit rating of an issuer of those securities may cause the value of the securities to decline.
- *Market risk:* Funds can lose money over short periods due to short-term market movements and over longer periods during market downturns.
- *Market trading risks:* Funds may face numerous market trading risks, including potential lack of an active market for the fund shares, losses from trading in secondary markets, and disruption in the creation/redemption process of the fund.
- *Non-diversification risk:* A fund may invest a large portion of its assets in securities issued by or representing a small number of issuers. As a result, the fund's performance may depend on the performance of a small number of issuers.
- *Passive investment risk:* Funds that track an index/passive funds are not actively managed and do not attempt to take defensive positions in declining markets.

- *Active management risk:* Funds that are actively managed may be subject to the risk that the investment adviser's judgments about the attractiveness, value, or potential appreciation of the fund's investments may prove to be incorrect.
- If the securities selected and strategies employed by the fund fail to produce the intended results, the fund could underperform other funds with similar objectives and investment strategies.
- *Tracking error risk:* Funds that track an index may not replicate the index exactly and the performance of the fund may diverge from that of the underlying index.
- *Investment style risk:* Different investment styles tend to shift in and out of favor, depending on market conditions and investor sentiment. A fund's approach to investing (e.g., growth or value) could cause it to underperform other stock funds that employ a different investment style.
- *Market capitalization risk:* Some funds invest in small-cap companies. These funds may be more volatile than funds that focus on securities issued by larger companies. Smaller companies are typically more sensitive to changes in overall economic conditions and their securities may be difficult to trade.
- *Foreign investing risk:* Some funds invest in foreign markets. In such cases, there is the risk that the fund's investments in foreign securities may be adversely affected by political and economic conditions overseas, reduced liquidity, or decreases in foreign currency values relative to the U.S. dollar.
- *Derivatives risk:* To the extent a fund uses futures and options, it is exposed to additional volatility and potential losses.

(ii) Jemstep Advisor Pro

Jemstep Advisor Pro makes available to investment advisors a set of model portfolios which they may elect to use at their discretion. To the extent that an investment advisor's recommendations are based on an investment model that may not accurately reflect future investment patterns, investors may not achieve the expected returns. Investors who invest with advisors who use Jemstep Advisor Pro are also subject to the risks disclosed in the advisor's Form ADV. Please refer to the investment advisor's Form ADV for more information about their investment strategies and the associated risks.

Item 9: Disciplinary Information

- A. Neither Jemstep, nor any of our employees, has had any civil or criminal actions brought against them.
- B. There are no legal or disciplinary events to report that are material to a client's evaluation of Jemstep's advisory business or the integrity of our management.
- C. Neither Jemstep, nor any of our employees, has had any proceedings before a self-regulatory organization.

Item 10: Other Financial Industry Activities and Affiliations

- A. No employees are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. No employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.
- C. Jemstep has no financial industry activities or affiliations, save for 100% equity ownership of its subsidiary company, Jemstep Investment Advisers, Inc. ("JIA"), which is an investment adviser registered with the State of California. The relationship does not create a material conflict of interest with any of our clients. Jemstep is in the process of withdrawing JIA's investment adviser registration.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Jemstep has adopted a Code of Ethics (the "Code") consistent with the Investment Advisers Act of 1940. The Code establishes and reinforces a standard of business conduct that is expected of persons associated with Jemstep, and provides specific guidance related to avoiding actual or apparent conflicts of interest. The Code emphasizes certain governing principles Jemstep personnel should always be mindful of in the course of their work, including the duty at all times to place the interest of clients first, the protection of material non-public information, and the obligation to report violations of the Code of Ethics and any applicable laws. Upon request, Jemstep will provide a copy of the Code to clients and prospective clients. To request a copy of the Code please email info@jemstep.com.

- B. Neither Jemstep, nor any of our employees, recommends to clients, or buys or sells for client accounts, securities in which we have a direct material financial interest. Jemstep does not have investment authority, discretionary or otherwise, to purchase any securities on behalf of users. Once a recommendation or ranking has been generated by the website, it is in the discretion of the user (or in the case of model portfolios, the investment advisor) to determine whether or not to enter into a transaction based on any such recommendation, when to enter into any such transaction and which broker-dealer to use for the execution thereof. However, Jemstep's officers and employees could conceivably purchase securities for their own accounts which may, in certain instances, be the same securities as those recommended to users, including shares in the same mutual fund. In the case of Jemstep Portfolio Manager, the securities which are recommended to clients are highly personalized and are based on each user's profile. Any such purchase of the same securities would, accordingly, be coincidental.
- C. Jemstep does not buy securities for its own account. Therefore, no potential conflict of interest exists at the firm level. Employees may own funds which are also held by clients, but since client portfolios are based on the methodologies listed above, including the individual fund recommendations of the Jemstep ranking engine, which is objective, no actual conflict arises and any common investments would be coincidental and are not at the prejudice of our clients. In addition, client trades are primarily limited to mutual funds and ETF's, which are highly liquid and would not create conflict of interest situations. In the case of Jemstep Portfolio Manager, investments made for its clients are generally of a long-term nature and short-term trading is not encouraged.
- D. No potential conflict of interest exists at the firm level. Employees may desire to trade securities that the firm is trading for clients but, for the reasons described in Item 11C, no actual conflict arises and any common investments are not at the prejudice of our clients.

Item 12: Brokerage Practices

- A. Jemstep does not select or recommend broker-dealers for client transactions. As Jemstep does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients are responsible for their own broker-dealer transactions, including the commissions payable. Please refer to Item 11 for further detail.

Search results, rankings and comparisons on Jemstep are entirely objective, and are not based on any arrangement or relationship that Jemstep may have with any service provider. Sponsored listings are not entertained and there are no conflicts of interest that arise.

1. Research and Other Soft Dollar Benefits. Jemstep does not pay for any products, research or services from any brokers.

- a. We do not use client brokerage commissions in order to obtain research or other services.
- b. Since we do not use client brokerage commissions to obtain research or other services, we have no incentive in recommending or selecting a specific broker-dealer to clients. Clients are responsible for selecting their own broker-dealer to execute trades.
- c. We do not cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits.
- d. No soft dollar benefits are received in respect of any client accounts with Jemstep, and no client accounts are given preferential treatment above others with respect to these types of benefits.
- e. Jemstep does not pay for any products, research or services with client brokerage.
- f. Jemstep does not direct commissions to broker-dealers in return for soft dollar benefits.

2. Brokerage for Client Referrals. Jemstep does not receive any referrals for selecting any brokerage as broker-dealer.

3. Directed Brokerage.

- a. As outlined above, Jemstep does not have investment authority, discretionary or otherwise, to purchase any securities on behalf of users. Once a recommendation or ranking has been generated by the Jemstep website, it is in the discretion of the user (or in the case of model portfolios, the investment advisor) to determine whether or not to enter into a transaction based on any such recommendation, when to enter into any such transaction and which broker-dealer to use for the execution thereof. We do not recommend, request or require that any client direct Jemstep to execute transactions through a specified broker-dealer.

B. Following from Item 12A, Jemstep does not aggregate the purchase or sale of securities for client accounts. Clients may lose the possible advantage of lower commissions that are sometimes derived through the aggregation of orders for multiple clients but have the benefit of executing through their own designated broker-dealer.

Item 13: Review of accounts

- A. Save for the ongoing monitoring and rebalancing referred to in 13B, Jemstep Portfolio Manager does not review client accounts nor do we provide reports on specific accounts. Clients who have registered for the Jemstep Portfolio Manager have the ability to view all their investment accounts online at their convenience, and based on Jemstep Portfolio Manager recommendations from time to time, take appropriate action at their discretion.
- B. Jemstep Portfolio Manager may from time to time send alerts, emails and other notifications to clients regarding portfolio information that may be relevant to the client. Jemstep Portfolio Manager also provides recommendations to clients on how to rebalance their accounts periodically so that they remain within the asset class parameters of the target asset allocation.
- C. Jemstep Advisor Pro does not review client accounts nor does it provide reports on specific accounts. As mentioned above, the client relationship is retained by the investment advisor and the review of accounts remains the responsibility of the investment advisor.

Item 14: Client referrals and other compensation

- A. Neither Jemstep, nor any of our employees, receives any economic benefit, sales awards or other prizes from any outside parties for providing investment advice to our clients.

1. Portfolio Manager Co-branded services

Jemstep has established co-branded online services in partnership with other service providers, including registered investment advisers, encompassing the Jemstep Portfolio Manager service described in Item 4. Co-branding partners will market the service in the normal course of business. Additionally, co-branding partners may make representatives and advisers available to assist clients in the set-up and use of the co-branded service, and to offer related assistance. In return, Jemstep will share a portion of the subscription revenues derived from the referral of clients or prospective clients to the co-branded service with the relevant partner. Premium subscribers to the co-branded service will be charged monthly subscription fees based on the value of the account balance managed through the co-branded service. Currently subscribers to the co-branded services do not experience a higher subscription fee than those who subscribe to Jemstep Portfolio Manager directly.

2. 401k investment advice to Plan Participants

Jemstep has developed a relationship with a 401k plan provider in terms of which Jemstep may sometimes be included as an integral component of the 401k plan offered to plan sponsors (employers). Jemstep earns an annual fee from the plan provider calculated on the assets of each 401k plan. Jemstep's service entitles plan participants to get unbiased, professional advice on how to invest and manage their 401(k) accounts. Plan participants may link their other retirement-focused accounts at their option, in which case Jemstep earns its normal subscription fees on the additional retirement accounts linked. Jemstep does not act as a fiduciary to the 401k plan and its services are focused on investment advice at the plan participant level.

All clients referred to Jemstep will receive copies of or access to copies of Jemstep's ADV 2A, 2B, Privacy Policy and account paperwork prior to engaging these services.

3. Jemstep Advisor Pro

Jemstep Advisor Pro is a technology platform service provided to investment advisors and broker dealers in terms of a written contract with each such advisor or broker-dealer. Apart from the provision of model portfolios that investment advisors may elect to use in their discretion, Jemstep Advisor Pro is a technology service provided in return for a license fee. Jemstep has no advisory relationship with the end-user.

Item 15: Custody

Jemstep does not have custody of client funds or securities. Client funds and securities are held under the custody of the custodian selected by the client.

Clients should confirm the frequency of account statements directly with their custodian. These statements should be reviewed carefully.

Item 16: Investment Discretion

Jemstep does not have discretionary authority to manage securities accounts on behalf of clients. For Jemstep Portfolio Manager, a user must make an independent determination of whether to follow any recommendation made by Jemstep, and must make its own arrangements for execution of any desired trades. In the case of Advisor Pro, the investment advisor is solely responsible for determining which securities to buy or sell on behalf of its clients.

Item 17: Voting Client Securities

Jemstep does not have authority to vote client securities. Client securities will be held in accordance with the terms and conditions of the broker-dealers selected by clients. Proxies or other solicitations will not be available through Jemstep. For information on whether clients will receive proxies or other solicitations directly from a custodian, transfer agent or other party, clients should check directly with their broker-dealers.

Item 18: Financial Information

- A. Jemstep does not require prepayment of fees longer than six months in advance.
- B. There are no financial conditions that are likely to impair Jemstep's ability to meet our contractual commitments to clients.
- C. Jemstep has not been the subject of a bankruptcy petition.