

Item 1 – Cover Page



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Form ADV Part 2A

Client Brochure

July 17, 2015

This brochure ("Brochure") provides information about the qualifications and business practices of FinHabits Advisors, LLC ("FinHabits"), a federally-registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that FinHabits has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission (SEC). We have applied for but have not yet received an SEC number. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us at (212) 596-7292 or contact@finhabits.com. Additional information about FinHabits is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This Brochure dated July 17, 2015, reflects the Adviser's Initial Form ADV filing for registration as a federal investment adviser with the SEC.

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Item 4 Advisory Business

General Description of the Firm

FinHabits Advisors, LLC (“FinHabits”, “the Adviser”) is an online investment adviser registered with the Securities and Exchange Commission (“SEC”) in July 2015. The Adviser is a limited liability company organized under the laws of the state of Delaware in June 2015. FinHabits is owned 100% by FinHabits, Inc., which is owned 100% by Carlos A. Garcia, the Adviser’s Managing Member. Additional information about FinHabits’ products, structure and directors is provided on Part 1 of FinHabits’ Form ADV which is available online at <http://www.adviserinfo.sec.gov>. We encourage Clients to visit our website www.finhabits.com for additional information.

Summary of FinHabits’ Advisory Services

FinHabits offers investment advice and portfolio optimization services to individuals through a secured website: www.finhabits.com. FinHabits’ goal is to provide you with an Internet-based investment management service where you can receive investment advice for all of your portfolio holdings in one user-friendly website.

FinHabits’ unique automated investment service is based on modern portfolio theory that makes it possible for anyone to access state-of-the-art portfolio management. Each individualized portfolio is designed to be consistent with clients’ investment objectives and risk tolerances. Using our technology, we can create an investment plan and manage a Client’s portfolio by seeking to identify:

- the optimal asset classes in which to invest;
- the most efficient ETFs to represent each of those asset classes;
- the ideal mix of asset classes based on the Client’s specific risk tolerance; and,
- the most appropriate time to rebalance the Client’s portfolio to maintain intended risk tolerance and optimal return for the Client’s risk level.

Portfolio Management Services

FinHabits offers software based financial advisor services based on the financial objectives, life events, age, time horizon, and risk tolerance of each client. Through our website, each client enters data and creates a financial goal, which outlines the client’s contributions, timeline and the proposed investment strategy managed by FinHabits. Once the financial goal is confirmed and proposed investment strategy selected, FinHabits automatically implements the investment strategy and periodically rebalances each client’s portfolio in order to maintain an efficient portfolio in accordance to the financial goal. Each client needs to update their financial goal if

their objective, risk tolerance, or life events change. FinHabits will check quarterly with each client to confirm their data remains valid.

FinHabits may engage Betterment, LLC (“Betterment”) to provide investment management subadvisory services for our clients. Betterment is an investment advisor firm registered with the Securities and Exchange Commission (SEC). In this type of engagement, we recommend the subadvisor’s investment strategy and services to clients, when appropriate, based on each client’s individual needs.

FinHabits will generally serve as the communication conduit between the client and Betterment. We will be available to answer questions the client may have regarding their account and will provide account reviews on a schedule agreed upon with the client.

In its capacity as a subadvisor, Betterment provides portfolio management, rebalancing and other services utilizing Exchange Traded Funds (ETFs). Betterment is compensated by FinHabits for its subadvisory services; clients are not charged a separate fee by the subadvisor.

Betterment will generally have discretionary authority to determine the securities to be purchased and sold for the client accounts it manages. Discretionary authority is described in more detail in Item 16 of this brochure.

Client Tailored Services and Investment Restrictions

FinHabits provides all analysis services through proprietary, automated computer algorithms on our website (www.finhabits.com). This automated service provides analyses and recommendations based on the financial and other information provided by the client. Clients receive ongoing supervisory services for their accounts. Investment recommendations may include, but may not be limited to, recommendations to buy, sell, hold or otherwise gain exposure to securities that are exchange traded funds.

FinHabits’ software-based financial advisory service is tailored to match the individual needs of each Client, with products that have certain features designed to meet the Client’s investment objectives, timeline, goals and risk tolerance level.

Our services are offered on a discretionary basis only. Clients authorize FinHabits to place trades on their behalf using the recommendations generated through our proprietary algorithms based on the personal and financial information provided by the client. It will remain your responsibility to promptly notify FinHabits if there is any change in your financial situation and/or investment objectives for the purpose of our reviewing, evaluating or revising previous account restrictions or firm investment recommendations. Clients are also reminded that restricting investments to particular asset or asset class may minimize diversification and potentially increase portfolio volatility, and in some cases may make it impractical to serve the account under an investment management services engagement.

Client accounts must be held at our custodian, Betterment Securities, a SEC registered broker-dealer and a “qualified custodian” that allows FinHabits to place trades on behalf of our clients. For clients whose accounts are not currently held at Betterment, FinHabits will assist clients in transferring assets into new accounts at Betterment. Please see Item 12 for a further discussion of FinHabits’ brokerage practices.

Wrap Fee Program

FinHabits does not sponsor or serve as a portfolio manager in any investment program involving wrap fees. Betterment, however, does offer wrap fee programs, and we may recommend these to our clients.

Information about these wrap fee programs may be found in Betterment’s Form ADV Part 2, Appendix 1 “Wrap Brochure,” which can be obtained by contacting us by telephone or email.

Assets Under Management

As a newly registered adviser, as of June 30, 2015, FinHabits does not yet have any accounts or assets under management.

Item 5 - Advisory Fees

Management Fees

Our annual Advisory Fee is an asset-based fee, which will be prorated and billed on a quarterly basis in arrears, based on your average daily account balance for the prior quarter multiplied by 0.125% (i.e., $0.50\% \div 4$). You will authorize us to instruct our custodian to deduct the Advisory Fee directly from your account(s) at Betterment pursuant to applicable custody rules. It is your responsibility to verify the accuracy of the calculation of the Advisory Fee.

Other Fees

FinHabits is a “fee only” investment advisor, and other than its advisory fee described above, neither the firm nor its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Client Accounts. In addition to the Advisory Fee, however, unaffiliated third parties may impose certain charges. These charges may include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by an exchange traded fund and wire transfer and electronic fund fees. For our clients’ accounts, Betterment Securities generally does not charge you separately for custody services. Instead, Betterment will keep half (0.25%) of the Advisory Fee (0.50%) deducted from your account as compensation for their subadvisory and custodial services to our Clients with the remaining 0.25% paid to FinHabits.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels

of advisory compensation – advisory fees charged by FinHabits plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary. FinHabits discloses each ETF's current information, including expenses, on the website.

Negotiability of Fees

Management Fees are generally not negotiable.

Account Termination

If a client wishes to terminate an existing relationship with FinHabits, he or she can do so at any time by emailing contact@finhabits.com. The termination will take effect promptly upon our receipt of the e-mail from the client. FinHabits may terminate a client's access to our online service if we believe a client is in breach of the FinHabits Terms of Use and Investment Management Agreement. If we or a client terminates access to our services intra-quarterly, FinHabits will pro-rate the management fee; i.e., the amount of the pro-rated fee will be divided by 90 days and multiplied by the number of days in the period up to and including the effective date of the termination.

Item 6 Performance-Based Fees and Side-by-Side Management

FinHabits does not charge performance-based fees. Our advisory fees are only charged as disclosed above in Item 5.

Item 7 Types Of Clients

FinHabits offers its advisory services to individuals.

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

Methods of Analysis and Investment Strategies

FinHabits uses modern portfolio theory to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Based on a proposed financial goal and the client's risk tolerance, FinHabits seeks to create an individualized investment plan using the optimal asset classes in which to invest.

ETFs are FinHabits' main investment instrument, due to low costs, passive management, and availability. We select ETFs for each asset class based on low tracking error, low expense ratio, and high market liquidity. FinHabits has defined a broad scope of asset classes taking into account different regions and subcategories: U.S. equities, foreign developed markets equities, emerging market equities, real estate, natural resources, treasury inflation protected securities, municipal bonds, corporate bonds, emerging market bonds and U.S. government bonds. FinHabits periodically evaluates the entire population of more than 1,000 ETFs to identify the most appropriate ETFs to represent each asset class.

FinHabits continuously monitors our client's portfolios and periodically rebalances them back to the client's target mix in an effort to optimize returns for the intended level of risk.

FinHabits will also periodically review the entire population of more than 1,000 ETFs to identify the most appropriate ETFs to represent each asset class. We look for ETFs that minimize cost and tracking error and offer market liquidity. Many investors do not realize that ETFs do not exactly track the indexes they were created to mimic. Choosing an ETF with a low expense ratio that does not track the asset class recommended by our service runs the risk of sub-optimizing a Client's portfolio's performance. We choose ETFs that are expected to have sufficient liquidity to allow Client withdrawals at any time. Finally, we select ETFs that have conservative and shareholder-friendly securities lending policies.

Risk of Loss

Materials Risks Involved (particular to the FinHabits' investment strategies)

1. Volatility and Correlation Risk – Clients should be aware that FinHabits' asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a client, and may become more acute in times of market upheaval or high volatility.

2. ETF Risks, including Net Asset Valuations and Tracking Error - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable

index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

3. Two Levels of Advisory Compensation. Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by FinHabits plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a client purchased the ETF directly.

4. ETF Expenses. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

5. Foreign Investing and Emerging Markets Risk - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

General Investment Risks

FinHabits cannot guarantee any level of performance or that any Client will avoid a loss of Account assets. Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse

consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective Client before retaining FinHabits' services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is in fact an occurrence.

1. Market Risk. Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities, and the portfolio that owns them, to rise or fall. Because the value of an investment in a portfolio will fluctuate, there is the risk of loss of money.

2. Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

3. Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to at times underperform equity funds that use other investment strategies.

4. Risks of Concentrating in One Sector. Portfolios that concentrate in one particular sector of the market are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. The performance of the portfolio may be materially different from the broad equity market.

5. Credit Risk. Companies in which the Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or an economic downturn. As a result, companies that the Fund expected to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

6. Liquidity Risk. Liquidity risk exists when particular portfolio investments are difficult to purchase or sell. To the extent that the Portfolio holds illiquid investments, the portfolio's performance may be reduced due to an inability to sell the investments at opportune prices or times. Liquid portfolio investments may become illiquid or less liquid after purchase by the portfolio due to low trading volume, adverse investor perceptions and/or other market developments. Liquidity risk includes the risk that the portfolio will experience significant net redemptions at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss. Liquidity risk can be more pronounced in periods of market turmoil.

Item 9 - Disciplinary Information

Like all registered investment advisors, FinHabits is obligated to disclose any disciplinary event that might be material to any Client when evaluating our services. We do not have any legal, financial, regulatory, or other “disciplinary” item to report to any Client. This statement applies to our firm and to every employee of our firm.

Item 10 Other Financial Industry Activities and Affiliations

In providing advisory services to Clients, FinHabits may share the same personnel or services also used by one or more of its affiliates. FinHabits has entered into a relationship with Betterment Securities as its custodian to effect transactions on behalf of our Clients. Betterment Securities is a clearing broker/dealer registered with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities & Exchange Commission (SEC).

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

The Adviser has adopted a Code of Ethics (the “Code”) under Rule 17j-1 of the Investment Company Act and Rule 204A-1 of the Investment Advisers Act for certain access persons (“Access Persons”) of the Adviser.

The Code identifies a number of basic principles that guide our business practices and set minimum standards of business conduct. These are the ethical principles on which the Code has been based:

- We must always conduct our business with the highest level of honesty, professionalism and ethical conduct. This high standard must be followed in dealing with employees, business partners, outside agencies, regulatory bodies and clients. Further, we must follow this standard in our handling of actual or apparent conflicts of interest between personal and professional relationships.
- We must strive for full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority (“FINRA”), and other regulatory bodies as well as in our public communications made by the Adviser.
- We must fully comply with applicable laws, governmental rules and regulations.
- We must make every effort to continuously improve and uphold our good reputation with customers and business partners and seek to ensure that investors in our funds are treated fairly and appropriately with every interaction.

- Our entire team must constantly seek to encourage an environment of mutual respect, openness and integrity in the workplace. Further, we encourage every member of the team, at all levels in the organization to foster a spirit of teamwork, entrepreneurial energy and enthusiastic client focused activities that resonate to all involved our commitment to excellence and our higher ethical standard.
- The employees of FinHabits and its affiliates have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

The Code is designed to ensure that Access Persons act in the interest of its Clients with respect to any personal trading of securities. The Code contains (i) certain reporting requirements applying to purchases of ETF's or the purchase of underlying portfolio securities and (ii) securities trading clearance procedures applying to the purchase of portfolio securities. The Code also requires all Access Persons to pre-clear with a compliance officer all trades in stocks, bonds, initial public offerings, and private investments. Subject to the terms of the Code, employees of FinHabits may purchase for their own accounts securities recommended for purchase by Clients.

Participation or Interest in Client Transactions

FinHabits may recommend the purchase or sale of ETF's in which it has a financial interest. However, without the approval of the Chief Compliance Officer ("CCO"), FinHabits shall not invest in, acquire investments from, or sell investments to any Clients that holds an investment of more than 5% of the outstanding equity of such entity or is in a position of control.

Furthermore, FinHabits has adopted policies and procedures to avoid potential conflicts of interest to the detriment of the Fund:

- FinHabits' CCO will monitor the personal securities transactions of the Adviser's associates to ensure that such persons are fulfilling their fiduciary responsibilities to Clients.
- In addition to monitoring securities transactions, the CCO will take all reasonable steps to determine that all associates of the Adviser comply with certain restrictions regarding a) Pre-clearance of Securities Transactions; b) Black-Out Periods; c) Short Term Trading; d) Active Trading by Advisory Representatives for their own Accounts; and, e) filing Quarterly Personal Securities Trading Reports:
- FinHabits and its employees may buy or sell securities that are also held by the Clients.
- Employees must comply with the provisions of the FinHabits' *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of the Adviser is responsible for reviewing all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that Clients are not compromised.

Item 12 Brokerage Practices

Directed Brokerage

FinHabits does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our clients use MTG, LLC dba Betterment Securities (“Betterment Securities”), a registered broker-dealer, member FINRA/SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. Since we require that you use Betterment Securities as custodian/broker in order to use FinHabits’ services, you will need to open an account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account.

How We Select Brokers/Custodians

In determining a custodian/broker to hold Client assets and execute transactions, FinHabits based its decision to use Betterment Securities as its Custodian on our evaluation of its services to be most advantageous overall when compared with other available providers and their services. We considered a wide range of factors, including:

1. Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
2. Capability to facilitate timely transfers and payments to and from accounts.
3. Availability of investment research and tools that assist us in making investment decisions.
4. Quality of services.
5. Competitiveness of the price of those services and willingness to negotiate the prices.
6. Reputation, financial strength, and stability.
7. Prior service to us and our other clients.

Best Execution

Our Clients are required to appoint Betterment Securities as their custodian and broker. For our clients' accounts, Betterment Securities generally does not charge you separately for custody services, but is compensated as part of the Betterment Institutional (defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Betterment Securities' execution procedures are designed to make every attempt to obtain the best execution possible, although there can be no assurance that it can be obtained. Clients should consider whether or not the appointment of Betterment Securities as the sole broker may or may not result in certain costs or disadvantages to the client as a possible result of less favorable executions.

Generally, when clients make changes to their accounts during normal stock market hours transactions will be processed momentarily while changes clients make to their accounts when markets are closed will be processed the next business day. Transactions are sometimes subject to processing delays that can cause significant time lapses between the time clients have initiated a change to an account and execution. In particular, processing delays may mean that account changes initiated less than thirty minutes before markets close may not transact until the next business day. Markets generally close at 4:00 PM ET. Further, deposits are automatically subject to a processing period that may be up to five business days or longer; deposit related transactions will not occur until the next business day after this processing period is complete.

Soft Dollars

Betterment Securities serves as broker dealer to Betterment Institutional, an investment and advice platform serving independent investment advisory firms like FinHabits. Betterment Institutional also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. These support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

Services That Benefit You. Betterment Institutional includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You. Betterment Institutional also makes available to us other products and services that benefit us, but may not directly benefit you or your account.

These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:

1. Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
2. Provide access to client account data (such as duplicate trade confirmations and account statements).
3. Provide pricing and other market data.
4. Assist with back-office functions, recordkeeping, and client reporting.

Services That Generally Benefit Only Us. By using Betterment Institutional, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events.
2. Consulting on technology, compliance, legal, and business needs.
3. Publications and conferences on practice management and business succession.

Our Interest In Betterment Securities' Services

The availability of these services from Betterment Institutional benefits us because we do not have to produce or purchase them. In addition, we don't have to pay for Betterment Securities' services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment Institutional and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services (see "How we select brokers/custodians") and not Betterment Institutional and Betterment Securities' services that benefit only us.

Order Aggregation

To treat all customers fairly and improve execution, Betterment Securities effects aggregated block transactions involving multiple Betterment Accounts. These transactions are not subject to any markups, markdowns, or dealer spreads. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order.

There are never any separate fees for any trade execution or custody service.

Allocations

The nature of the Adviser's business is such that it will not be allocating shares to investors.

Cross-Transactions

At this time, the Adviser advises Clients only to invest in ETFs and, therefore, will not be in a situation that would cause a Client to sell a security and another of its advisory clients to purchase the same security at or about the same time.

Item 13 - Review of Accounts

FinHabits provides all Clients with continuous access via the website to real-time reporting information about Account status, securities positions and balances. Clients may also receive periodic e-mail communications describing portfolio performance, Account information, and product features and reminders to update their investment profile.

FinHabits reviews each Client's Account when it is opened, and continuously monitors and periodically rebalances each Client's portfolio to seek to maintain a Client's targeted risk tolerance and optimal return for the Client's risk level. FinHabits also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. We consider tax implications and the volatility associated with each of our chosen asset classes when deciding when and how to rebalance.

On a quarterly basis, FinHabits contacts each Client to remind them to review and update the profile information they previously provided. FinHabits also requests that Clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the Client's current information and contact information for the FinHabits support team. Currently the FinHabits team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: the Chief Compliance Officer with help from Client Services.

FinHabits conducts separate reviews related to the ETFs used for Client portfolios. These reviews are approved by FinHabits' Investment Committee, which has the authority, if necessary, to take action up to and including the removal, addition or replacement of an ETF, from the portfolios advised by FinHabits.

Item 14 - Client Referrals and Other Compensation

We receive a non-economic benefit from Betterment Institutional and Betterment Securities in the form of the support products and services it makes available to us and other independent

investment advisors whose clients maintain their accounts at Betterment Securities. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of Betterment Institutional and Betterment Securities’ products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Incoming Referrals

FinHabits may receive client referrals from other sources including from current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not engage solicitors to solicit business on its behalf or compensate referring parties for referrals.

Referrals Out

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

The Adviser does not receive any other form of compensation other than what has already been discussed previously in *Item 5 - Fees and Expenses* and in *Item 12 – Brokerage Practices – Directed Brokerage* of this document.

Item 15 Custody

We will not maintain physical custody of your assets. However, under the Investors Advisers Act, we are deemed to have custody of your assets if you authorize us to instruct Betterment Securities to deduct our advisory fees directly from your account. Nevertheless, Betterment Securities will maintain actual custody of your assets. Your statements will be available for you to review on the activity section of the Betterment Institutional account portal. You will also receive account statements directly from Betterment Securities at least quarterly at www.bettermentsecurities.com. You should carefully review those statements promptly.

Item 16 Investment Discretion

FinHabits has full discretionary authority to determine—

- which securities as well as the amount of securities that will be bought and sold in clients’ accounts;
- the broker/dealer to be used to purchase or sell securities for Client accounts (Betterment Securities); and,

- the amount of compensation to be paid to Betterment for custody and brokerage services.

Item 17 Voting Client Securities

As a matter of policy, FinHabits does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 Financial Information

As an advisory firm, FinHabits is required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. FinHabits does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided.

Item 19 - Requirements for State Registered Advisers

- Principal Executive Officers, Management - This information can be found in Part 2B
- Other Business - This information can be found in Part 2B
- Performance Based Fees – This information can be found in Item 6.
- (1&2) Legal & Regulatory Disclosures - This information can be found in Part 2B
- Relationships with Issuers of Securities - Not Applicable



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Client Brochure Supplement

July 15, 2015

This Brochure Supplement provides information about certain FinHabits employees that supplements the "FinHabits" Brochure, you should have already received. a federally-registered investment adviser. Please contact FinHabits at (212) 596-7292 or at contact@finhabits.com if you did not receive FinHabits' Brochure or if you have any questions about the contents of this Brochure Supplement.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about FinHabits is also available on the SEC's website at www.adviserinfo.sec.gov.

SUPERVISED PERSONS, EDUCATION & BUSINESS STANDARDS AND PROFESSIONAL CERTIFICATIONS

Education and Business Standards

FinHabits requires that those involved in determining or giving investment advice must be properly licensed employees who are knowledgeable and experienced in portfolio analysis.

Supervised Persons

Carlos A. Garcia

Registrations/Certifications:

Mr. Garcia currently holds a Series 65 and Series 3 registrations. He was born on January 24, 1980.

Educational Background

Carlos received a BS in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology on May 2, 2002.

Business Experience

In addition to his current work with FinHabits, Mr. Garcia serves as the Managing Partner and CEO of Madison Quant Labs, a quantitative driven asset management firm focused on delivering high risk-adjusted net returns with low correlation to equity markets.. He was a also a partner and portfolio manager at Galileo investment Management from 2006-2011. Between 2009 and 2012, he co-founded and served on the Board of Fundspire, a web-based risk management and analytics software business for hedge fund investors that was successfully sold and acquired by Evestment. Earlier in his career, Mr. Garcia was an Associate Vice President for Merrill Lynch.

Disciplinary Actions

Mr. Garcia has not been the subject of any legal or disciplinary events that would be material to a client's evaluation of him.

Other Business Activities (not previously disclosed above)

Furthermore, Mr. Garcia is not actively engaged in any investment-related business or occupation other than those already disclosed from which a material conflict might arise.

Additional Compensation

Mr. Garcia does not receive any economic benefit for providing advisory services from anyone who is not a client other than that which may have already been disclosed in this Brochure or Supplement.

Supervision

Mr. Garcia is supervised by himself. He reviews his monthly, quarterly and annual disclosures and trade pre-clearances.

Carlos Garcia's Contact Information:

Telephone: 212 596-7292

Email: contact@finhabits.com

State Adviser Required Information

In accordance with its requirements as a state-registered adviser, Mr. Garcia disclosed that he has had no arbitrations, regulatory actions or bankruptcies.

