



ETF Model Solutions, LLC
2200 North Richmond Street Suite 200
Appleton, WI, 54911
Phone: (920) 785-6012
Fax: 920.227.0521
<http://www.ETFModelSolutions.com>

October 30, 2015

This brochure provides information about the qualifications and business practices of ETF Model Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at (920) 785-6012 or by email at: rob@etfmodelsolutions.com. 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.

Additional information about ETF Model Solutions, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for ETF Model Solutions, LLC is: 168410.

ETF Model Solutions® is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

The following material changes have been made since the firm's annual Form ADV Part 2A last annual update dated March 31, 2015.

Addition of My Robo Adviser™ advisory service. Language has been added to Item 4, and other sections (including Sections 5, 7, 12, 13, 14, 15 and 16) which describes the Firm's advisory services and business activities (including fees and expenses and payment of fees) now offered through automated investment wrap program provided directly to end-user clients through My Robo Adviser™ service.

No longer providing services to Placemark Investments. Removed language to reflect expiration of the Firm's model licensing arrangement with Placemark Investments. Placemark has been absorbed by Envestnet and therefore our model strategies are no longer available through the UMA Marketplace.

Other changes

Item 4. Added, updated and enhanced language on discretionary model management activities and non-discretionary model licensing. Added language on tax implications of holdings held within the Firm's models or model portfolios. Added language on use of derivatives used within mutual or exchange traded funds held within the models.

Item 12. Added and enhanced language to describe Firm's practices for the selection of custodians and broker/dealers, research and soft dollar policies that benefit ETF Model Solutions, directed brokerage and block trading.

Item 13. Added language regarding custody of client accounts at Mid Atlantic Trust.

Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes	i
Item 3: Table of Contents	ii
Item 4: Advisory Business	5
A. Description of the Advisory Firm	5
B. Types of Advisory Services	5
Services Limited to Specific Types of Investments	8
C. Client Tailored Services and Client Imposed Restrictions	9
D. Wrap Fee Programs	9
E. Assets Under Management	9
Item 5: Fees and Compensation	9
A. Fee Schedule	9
(a) My Robo Adviser Accounts	9
(b) Collective Investment Fund Management Services Fees	10
(c) Model and Portfolio Management Services Fees	10
(d) Model Licensing Fees	10
B. Payment of Fees	11
Payment of AUM-based Model and Investment Advisory/Portfolio Management Fees	11
C. Clients Are Responsible For Third Party Fees	12
D. Prepayment of Fees	13
E. Outside Compensation for the Sale of Securities to Clients	13
Item 6: Performance-Based Fees and Side-By-Side Management	13
Item 7: Types of Clients	13
Minimum Account Size	13
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss	14
A. Methods of Analysis and Investment Strategies	14
Methods of Analysis Utilized	14
Technical analysis	14
Investment Strategies Utilized	14
B. Material Risks Involved	15
Methods of Analysis Risks	15
Fundamental analysis	15

Technical analysis	15
Cyclical analysis	15
Investment Strategies Risks	16
A. Risks of Specific Securities Utilized	17
Item 9: Disciplinary Information	20
A. Criminal or Civil Actions	20
B. Administrative Proceedings	20
C. Self-regulatory Organization (SRO) Proceedings	20
Item 10: Other Financial Industry Activities and Affiliations	20
A. Registration as a Broker/Dealer or Broker/Dealer Representative	20
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	20
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	21
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	21
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
A. Code of Ethics	22
B. Recommendations Involving Material Financial Interests	22
C. Investing Personal Money in the Same Securities as Clients	23
D. Trading Securities At/Around the Same Time as Clients' Securities	23
Item 12: Brokerage Practices	23
A. Factors Used to Select Custodians and/or Broker/Dealers	23
1) Research and Other Soft-Dollar Benefits	25
SERVICES AVAILABLE TO US VIA BETTERMENT INSTITUTIONAL	25
2) Brokerage for Client Referrals	26
3) Clients Directing Which Broker/Dealer/Custodian to Use	26
B. Aggregating (Block) Trading for Multiple Client Accounts	26
Item 13: Reviews of Accounts	27
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	27
B. Factors That Will Trigger a Non-Periodic Review of Client Accounts	27
C. Content and Frequency of Regular Reports Provided to Clients	27
Item 14: Client Referrals and Other Compensation	27
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients Incl. Sales Awards or Other Prizes	27
B. Compensation to Non – Advisory Personnel for Client Referrals	28
Item 15: Custody	28
Item 16: Investment Discretion	29

Item 17: Voting Client Securities (Proxy Voting).....	29
Item 18: Financial Information	29
A. Balance Sheet.....	29
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	29
C. Bankruptcy Petitions in Previous Ten Years.....	29

Item 4: Advisory Business

A. Description of the Advisory Firm

ETF Model Solutions, LLC ("ETF Model Solutions", "ETFMS", "We", or "the Firm") is a registered investment adviser operating as a Limited Liability Company organized in the State of Wisconsin.

The Firm is committed to minimizing potential conflicts of interest and providing transparent pricing.

The Firm offers investment management utilizing and/or coordination of predominantly passive (index) investment management services. Prior to rendering any services, clients are required to enter into one or more written agreements with ETF Model Solutions® setting forth the relevant terms and conditions of the advisory relationship.

B. Types of Advisory Services

ETF Model Solutions, LLC provides investment advisory and investment management services through a series of various asset allocation models that primarily contain exchange traded funds (ETFs), but also may include Exchange Traded Notes (ETNs), open and closed end mutual funds, and, to a lesser extent, other publicly-traded securities such as Business Development Companies (BDCs) and Real Estate Investment Trusts (REITs). Clients may engage ETFMS to effect transactions within their investment portfolios on a discretionary basis.

These investment models may be deployed or provided to various clients through several distinct client relationship types, including: (a) investment advice directly to end clients exclusively through the website MyRoboAdviser.com; (b) investment management services to Alta Trust for management of the Endowment Multi-Asset ETF Allocation, a collective investment trust available to 401(k) Plans; (c) discretionary investment advisory services creating and managing risk-based asset allocation models made available to 401(k) Plans through Mid-Atlantic Capital Group's ModelxChange® platform, and (d) licensing or otherwise contractually creating, managing or providing asset allocation models to affiliated or unaffiliated investment advisors to which ETFMS serves in a non-discretionary investment advisory role in providing asset allocation models solutions.

(a) My Robo Adviser™ Investment Advisory. ETF Model Solutions offers its advisory services as an automated or digital (i.e. internet/web-based) investment solution directly to individual investors, businesses, trusts and other client types under the business name of My Robo Adviser™ through its website (www.MyRobo Adviser.com). Through this automated program, ETF Model Solutions® makes available diversified, ETF-based models that are tailored to an individual's risk profile and investment objectives. Through this service, clients are provided with recommended risk-appropriate investment solution based upon their responses to a questionnaire that is designed to help assess each client's investment goal and risk profile. Portfolios are structured in a continuum, ranging from 0% Equity/100% Bonds (Conservative) to a mix of Equity, Bonds and/or Liquid Alternative Investments to fit an Aggressive investment risk profile. Clients engaging

ETFMS through My Robo Adviser™ answer a series of questions designed to ascertain their goals and risk profile, and are then recommended a portfolio mix or a target allocation of investments based upon their responses to the questionnaire. Clients may accept the recommended allocation and their funds will be invested accordingly. However, the clients may choose to “over-ride” the recommended allocation and select an allocation from the menu that may be more conservative or more aggressive than the recommended allocation. ETF Model Solutions® provides the My Robo Adviser service™ on a discretionary basis.

Periodically, the accounts will be rebalanced back to the intended target allocation of each respective model portfolio. This rebalance process may be automatically generated based upon a predetermined algorithm as either individual or overall equity/fixed income allocations move outside a predetermined band, or generated manually when ETF Model Solutions makes a change to the overall portfolio. Taxable accounts may also be rebalanced to sell securities that generate a tax loss and replaced with a substitute security in an attempt to generate tax savings for clients. While My Robo Adviser™ seeks to limit the tax obligations for client accounts, the service does not provide individualized tax planning or tax advice. ETFMS recommends that clients in need of tax advice obtain these services from a qualified tax professional that is familiar with the federal, state and local tax issues applicable to one’s needs. Clients are advised and agree to log onto the site and update their risk profile information whenever there is a change to their financial circumstances or investment goals to obtain an updated allocation recommendation based on the new information.

The portfolio allocation recommendation(s) provided by the My Robo Adviser™ service are tailored to meet the objectives and risk profile of each unique client, thus providing individualized investment advice. My Robo Adviser™ does not conduct any other services or traditional financial planning.

(b) Investment Management. ETF Model Solutions is the investment manager for the Endowment Multi-Asset ETF Allocation (CUSIP 26923F105), sponsored by Alta Trust. The Endowment Multi-Asset ETF Allocation (“Endowment CIF” or “the Fund”) is a collective investment trust. Alta Trust serves as the trustee. ETF Model Solutions provides its investment advisory services to the Fund through a Collective Investment Fund Advisory Services Agreement with Alta Trust. Through selling agreements that Alta Trust maintains with major retirement platforms, the Fund is available to most qualified retirement plans, including 401(k) Plans. The Endowment CIF can be added a single investment option within an overall investment lineup for a 401(k) Plan. Alta Trust is considered a single client of the ETF Model Solutions with respect to the advisory services the Firm provides to Alta Trust with respect to management of the Endowment CIF.

Collective investment funds are commingled trust funds created to facilitate the investment management of individual fiduciary. The assets of such accounts are combined into one or more investment funds, each with its own specific investment strategy. Although similar in some respects to mutual funds, collective investment funds are administered by banks under applicable banking law and are not registered under the Investment Company Act of 1940.

The investment management services that ETFMS provides to Alta Trust with respect to the Fund are provided on a discretionary basis, although the securities that it chooses to

include in the portfolio are subject to prior approval by Alta Trust. ETF Model Solutions® is considered an ERISA 3(38) fiduciary with respect to its services through the Endowment Multi-Asset ETF Allocation.

ETF Model Solutions utilizes the services of Mid Atlantic Capital Group's ModelxChange Platform and related custody and trading services to manage the portfolio of the Endowment Multi-Asset CIT. Through ModelxChange web-based portal, ETF Model Solutions is able to enact intended changes to the portfolio allocation, to which Mid Atlantic will then make the subsequent changes to the Fund, according to the new position weightings as communicated by ETF Model Solutions.

(c) Investment Advisory- Managed ETF Models. ETF Model Solutions' ETF-based models are available on Mid Atlantic's ModelxChange® Platform for use in 401(k) and other types of retirement Plans. ETF Model Solutions provides model management services to the Plans that make available the Firm's models as investment selections within their Plan. Models available to Plans include risk-based portfolios intended for investors that identify themselves within a certain risk category, such as Conservative, Moderate, or Aggressive. Investment advisers serving the retirement Plan Sponsors in a fiduciary capacity under either an ERISA (3)(21) non-discretionary, or ERISA (3)(38) discretionary capacity, may recommend that these investment models are appropriate investment options for their respective Plans. When its investment models are included as investment options within a retirement or 401(k) Plan, ETF Model Solutions serves as a discretionary investment manager to the Plan only with respect to assets placed in its models. Clients (Plan Sponsors) have the ability to impose reasonable restrictions on the managed portfolios or models.

ETF Model Solutions constructs and maintains its Managed ETF model portfolios, which includes periodic rebalancing and reconstituting by utilizing the ModelxChange Platform. Upon constructing, or making a change to a model portfolio, ETF Model Solutions communicates (via secure web portals or other methods) the changes in the portfolios to Mid Atlantic, who is then responsible for enacting the securities trades necessary in client accounts, according to the new position weightings as communicated by ETF Model Solutions.

(d) Model Licensing. ETF Model Solutions® provides non-discretionary investment advisory services to affiliated and/or non-affiliated investment advisers. These licensing activities include the creation and maintaining of ETF-based investment models. These models and subsequent model changes are communicated as recommended allocations or changes to the advisory firms that license the models. These recommendations are provided on a non-discretionary basis. ETF Model Solutions is not responsible for enacting or making discretionary trades in client accounts with respect to its model licensing activities. Firms that license these models are responsible for any discretionary activities with respect to assets they manage according to the models. ETF Model Solutions compensation for these activities is subject to the terms of a model licensing/management agreement that is agreed upon with the advisory firm utilizing these services.

The Firm, at its own discretion, will accept clients in which it serves in either a discretionary or non-discretionary capacity, providing investment advisory, portfolio construction, investment management, consulting and/or related services to endowments and foundations, institutions, or other investment advisory firms.

ETF Model Solutions® must limit the number of clients to which it provides non web-based investment advisory services to no more than 15, based upon its registration with the Commission.

As a registered investment adviser, we are held to the highest standard of client care - a fiduciary standard. As a fiduciary we always put our client's interests first and must fully disclose any potential conflicts of interest. We do not directly hold customer funds or securities and all transactions are sent to our qualified custodian(s) which execute, compare, allocate, clear, and settles them. The custodian(s) also maintain our clients' accounts and may grant clients access to them.

ETF Model Solutions® may consider the tax implications of any ETF or other holdings that it includes in its portfolio allocations. For example, ETF Model Solutions may generally seek to avoid including securities in its model portfolios that issue Form K-1 tax reporting in favor of securities that issue Form 1099 tax reports. However, there may be instances where ETF Model Solutions includes securities that issue K-1 tax reports. ETF Model Solutions is not responsible for tax reporting for securities held in its model or investment portfolios. The custodial brokerage firm which the client's account is held is responsible for providing tax statements to clients.

Other than tax loss harvesting activities with respect to specific securities within an account or a model, or consideration of the tax implications of holdings in its model portfolios, ETF Model Solutions does not provide tax advice and we recommend that clients direct tax questions to a qualified tax professional, who is familiar with the federal, state and local tax issues applicable to the client's specific tax circumstances and needs.

Other activities. ETF Model Solutions conducts ongoing research which may result in the construction of various indexes. ETF Model Solutions conducts research and index construction according to proprietary methodologies. Calculation and dissemination of historical and current data on index construction which may be made publicly available through various index calculation services such as Nasdaq OMX®. Index data and research may also be licensed to various institutional investment managers.

Services Limited to Specific Types of Investments

ETF Model Solutions generally limits its investment advice to domestically-registered securities that trade on major U.S. securities exchanges and/or offer daily liquidity and do not require investor accreditation. These securities include exchange traded funds and notes, mutual funds (including closed-end funds) and business development companies that hold equities, fixed income securities, precious metals, commodities, real estate funds (including REITs), and other asset classes. Certain mutual funds or exchange-traded funds may implement hedging strategies or utilize derivatives, including, but not limited to futures and options.). The firm does not currently utilize illiquid investments such as private placements or non-publicly-traded securities within its models. ETF Model Solutions primarily utilizes ETF's and ETN's to represent the aforementioned asset classes in the model portfolios that it presents to a majority of its clients.

C. Client Tailored Services and Client Imposed Restrictions

ETF Model Solutions® offers risk-allocated models through its My Robo Adviser™ automated investment service, as well as managed portfolios through Turnkey Asset Management Platforms (TAMPs). These services make it possible for individuals, trusts, retirement plans, or other entities to access an endowment-based investment strategy designed to be consistent with the clients' investment objectives and risk tolerances. The individualized investment advice through My Robo Adviser™ is tailored to a specific investor profile or to help meet an investor goal.

ETF Model Solutions allows its clients to impose reasonable restrictions on investing in certain securities or types of securities, and will accommodate those requests to the extent that our service providers' operational functionality is sufficient to facilitate those restrictions.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. The service provided through My Robo Adviser™ is considered a wrap fee program. The fee assessed for My Robo Adviser services include the combined fees of ETF Model Solutions Investment Management fee of 0.35% as the Sponsor's custody and transaction fee of 0.25%. Betterment Securities is the Sponsor of the wrap fee program.

E. Assets Under Management

As of 9/30/2015, ETF Model Solutions had \$2,535,451 assets under management.

Item 5: Fees and Compensation

A. Fee Schedule

(a) My Robo Adviser Accounts

My Robo Adviser™ client accounts are assessed a 0.35% (35 bps) annual fee, based on assets under management. This annual fee is deducted quarterly, in arrears and is based on the average assets held in the account during the immediate prior quarter based upon the following calculation: $(0.35\% / 4) \times \text{average assets}$, which equates to $.000875 \times \text{average assets}$. ETF Model Solutions®, in its sole discretion, may negotiate, reduce, or waive this fee for specific client accounts for certain Client Accounts for any period of time as determined by ETF Model Solutions®.

My Robo Adviser™ services are provided to clients as part of a wrap program administered by Betterment Institutional. In this wrap fee program, clients are assessed a bundled fee, which encompasses the advisory fee for ETF Model Solutions' services, as

well as sub advisory services provided by Betterment Institutional and custodial and brokerage services provided by Betterment Securities. The wrap fees that apply to each client's account are identified in the agreements that the client executes when opening the account. The current total wrap fee for the My Robo Adviser program is 0.60%, of which 0.35% is ETF Model Solutions' advisory fee (as itemized above), with 0.25% assessed by Betterment.

(b) Collective Investment Fund Management Services Fees

ETF Model Solutions® serves as an investment advisor for one or more collective investment trusts. The fee for these services is negotiated with the Trustee for each respective Trust, who compensates ETF Model Solutions for its services out of a portion of its Trustee Fee. ETF Model Solutions standard advisory fee for these services is .35% (35 basis points, or bps) although the fee paid by the Trustee may range from 35-45 bps. ETF Model Solutions is hired by the Trustee to manage the assets of the Trust according to terms in an Advisory Services Agreement. The Trustee and Management fees applicable to the trusts are detailed in the respective participation agreements as well as the Employee Benefit Plan funds Summary for each respective trust.

(c) Model and Portfolio Management Services Fees

ETF Model Solutions' standard annual model management fees for 401(k) or other retirement plans accessed through Mid Atlantic's ModelxChange® platform are 0.35%. These fees are paid from Plan assets and are based upon assets under management within its various models that are included in each respective Plan(s), according to the model management agreement signed with each Plan Sponsor. Mid Atlantic's ModelxChange® Platform accrues these fees daily and subsequently deducts and compensates ETF Model Solutions on the last business day of each month. The final fee schedule is attached as an Exhibit of the Model Management Agreement that is signed with each Plan Sponsor. ETF Model Solutions may choose to negotiate the fees it charges for its model and investment management services provided through the ModelxChange platform at its sole discretion.

(d) Model Licensing Fees

The current standard license fee for ETF Model Solutions models is 0.35% (35 basis points) of assets. ETF Model Solutions, in its sole discretion, may choose to negotiate discounts for its model licensing fees for advisory firms or advisors placing assets in excess of \$5 million within the models.

For all clients, the specific manner in which fees are charged by ETF Model Solutions is established in a client's written agreement with ETF Model Solutions, LLC. Typically, fees are charged as a percentage of assets under management. ETF Model Solutions fees may be collected in one of the following ways. License fees are typically assessed along with custodial and platform sponsor fees and may be collected in advance, in arrears, or accrued on a daily basis, dependent upon the contractual arrangement with each respective platform sponsor. Typically, each respective Platform Sponsor will determine its own respective billing structure, and ETF Model Solutions is subject to

that policy. ETF Model Solutions license fees are typically directly deducted from client accounts on a monthly or quarterly basis by the platform sponsor in accordance with its billing process. ETF Model Solutions' fee may be itemized, or, it may be included in a bundled fee by the platform sponsor.

Termination of Agreement

Clients may terminate the agreement without penalty, for full refund of ETF Model Solutions' fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with one day written notice. My Robo Adviser™ clients can terminate the Advisory Agreement by utilizing the functionality to close their account on the website.

B. Payment of Fees

Payment of AUM-based Model and Investment Advisory/Portfolio Management Fees

(a) *My Robo Adviser fees.* ETFMS assesses an advisory fee for clients that utilize the My Robo Adviser Service. This fee is based upon assets under management (AUM) and is withdrawn directly from the client's accounts with clients' written authorization according to the Client's agreement with ETFMS and to the Client's agreement with Betterment. Fees are collected quarterly, in arrears, as directed by the client in the agreement. Betterment's fee schedule for sub advisory, custody and trading is determined by Betterment. My Robo Adviser™ clients are subject to their Betterment's sub advisory, trading and custody fee schedule. ETF Model Solutions® advisory fee for its services to clients for My Robo Adviser are included in a single bundled fee billed by Betterment.

(b) *Collective Investment Fund asset management fees.* Alta Trust compensates ETF Model Solutions out of a portion of the Trustee Fee that it earns as compensation for its management and administration of the Fund. ETF Model Solutions is paid between 35 and 45 basis points (based on Fund assets) for its investment management services that it provides to the Fund. All of the Trustee Fees are deducted prior to determination of the net asset value of each unit in the Fund. The Trustee Fees accrue on daily basis and are deducted monthly in arrears by the custodian.

(c) *Investment Advisory/portfolio management fees* Investment advisory and/or investment management fees for managed ETF models are based upon assets under management. For accounts that are managed through ModelxChange, our management fees are accrued daily and subsequently deducted monthly in arrears by Mid Atlantic Capital Corporation as authorized by the Plan Sponsor in accordance with the model management agreement executed by the Plan Sponsor and their independent adviser with ETF Model Solutions. Mid Atlantic then pays these fees to ETF Model Solutions.

(d) *Model management/license fees.* Model management/licensing fees earned by ETF Model Solutions are typically based upon assets the licensing adviser places in the models. . ETF Model Solutions may be compensated directly by the Adviser, or these fees may be withdrawn directly from the client's accounts with client's written authorization according to their management agreement with adviser, the Platform Sponsor on a monthly or quarterly basis.

ETF Model Solutions® does not typically determine how its fees are collected. Our fees may be collected in advance, in arrears, or accrued on a daily basis, dependent upon the contractual arrangement with each respective custodian. Typically, each custodian determines its billing structure and ETF Model Solutions is subject to that policy. Our fees may be collected either in advance or in arrears, by the platform sponsor or custodian in accordance with its billing process, as directed by client in the advisory contract. ETF model solutions management fees are typically deducted directly from the client accounts in accordance with each Platform Sponsor or Custodian billing process.

C. Clients Are Responsible For Third Party Fees

All clients of My Robo Adviser™ and ETF Model Solutions are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, exchange traded fund and mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by ETF Model Solutions. ETF Model Solutions does not share in any revenues or fees charged by custodians, funds or unaffiliated entities. Please see Item 12 of this brochure regarding broker/custodian.

(a) *My Robo Adviser.* Clients participating in the My Robo Adviser™ service are responsible for sub advisory and custodial fees charged by Betterment. ETF Model Solutions does not have the ability to influence Betterment's fee schedule.

(b) *Collective Investment Trust.* Client accounts invested in the Endowment Multi-Asset ETF Allocation Collective Investment Fund are subject to third party fees, which may include Trustee Fees (from which ETF Model Solutions receives its management fee), services fees assessed by Plan sponsor custodians, reasonable administration and operational fees incurred by the Trustee, including transfer agency, auditing services, legal services, and annual report preparation and distribution. These fees are disclosed and agreed to in the Participation Agreement signed by the Participating Plans or Trusts that select the Fund as an investment option.

(c /d) *Managed Models/Model Licensing.* Client accounts in ETF Model Solutions models or managed portfolios that are provided on either discretionary or non-discretionary basis may be subject to various other third party fees, which may include (a) advisory fees charged by their investment advisor (b) broker-dealer platform fees (c) platform sponsor or model unitization fees, (d) custody, and/or (e) trading fees, which may be asset or transaction based Retirement plans such as 401(k) Plan accounts may be subject to additional fees, including Third Party Administration (TPA) or record keeping fees. Clients should read their proposal or investment management agreement provided in their account-opening documents for an itemized list of the fees that apply to their specific accounts. Clients that participate in ETF Model Solutions model portfolios through their 401(k) or other retirement plans should review disclosure documents that contain detailed fee and expense information as required under the Employee Retirement Income Security Act.

ETF Model Solutions does not control nor have the ability to influence the various fees assessed by each respective platform sponsor, broker-dealer platform, custodians or other service providers that may be affiliated with delivering its model solutions to the client.

D. Prepayment of Fees

ETF Model Solutions® may collect fees in advance.

For all asset-based fees paid in advance, the fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee by 365.) These calculations are typically calculated and refunded through the operational process of the platform sponsors.

E. Outside Compensation for the Sale of Securities to Clients

Neither ETF Model Solutions nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

ETF Model Solutions does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

ETF Model Solutions generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Endowments and Foundations
- ❖ 401(k) Retirement Plans

Minimum Account Size

My Robo Adviser™ does not currently assess an account minimum.

While ETF Model Solutions does not establish set minimums for any of its services, certain models may contain mutual funds that require a minimum investment. Therefore, to the extent that a particular investment may have an investment minimum, any accounts that invest in an allocation containing that fund would require a minimum investment. Certain platform sponsors, brokerage/custody firms may establish account minimums, or account fee minimums to which any client accounts would be required to meet. ETF Model Solutions does not have control over these service providers' policies.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis Utilized

ETF Model Solutions' methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

Charting analysis involves the use of patterns in performance charts. ETF Model Solutions® uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations, such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Modern portfolio theory is a theory of investment which attempts 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.

Investment Strategies Utilized

Strategic Asset Allocation. ETF Model Solutions primarily implements a long-term strategic asset allocation investing process for its model strategies. Within its models, the firm implements a core-satellite approach to invest in various asset classes. In this approach, the primary, or core segment of the portfolio is invested in broadly-diversified, market-cap weighted, low-cost index-based exchange traded funds. Additional, actively-managed and/or alternative indexing strategies may selectively be integrated to the portfolio as satellites in an effort to improve portfolio return or risk-adjusted return profile.

Indexing/Passive Investing. As part of the firm's asset allocation strategies, ETF Model Solutions may implement an indexing or passive investment strategy based upon the Firm's proprietary Endowment Index™ or some other index. Index investing seeks to reduce investment management and trading costs by targeting the weights of a portfolio to match that of an index. The Endowment Index™ seeks to track the performance of an average university endowment portfolio through the use of ETFs which represent the various asset classes in the portfolio.

Alternative Investing. As part of the firm's asset allocation strategies, alternative investment asset classes may be included in some model portfolios. Alternative assets may offer lower correlation to traditional investments, meaning that when equities decline, a

particular alternative investment might increase in value, or at least decline significantly less than equities. ETF Model Solutions defines alternative assets as any investment that does not involve traditional long-only equity or fixed income securities, and may involve real assets such as precious metals, commodities, Real Estate Investment Trusts (REITs), private placements (equity), or hedge strategies. ETF Model Solutions does not invest in alternative investments through partnerships. Rather, the firm's alternative asset allocation investments involve liquid alternative investments. Liquid alternatives are registered securities that either trade on a U.S.-based exchange or offer daily liquidity. Examples of liquid alternative investments are exchange-traded funds (ETFs), exchange-traded notes (ETNs), open end mutual funds, closed end mutual funds, and business development companies (BDCs).

Tactical Asset Allocation. ETF Model Solutions may make tactical adjustments to its strategic portfolios. These adjustments may include overweighting or underweighting a particular asset class depending upon the firm's viewpoint of the markets.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis Risks

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

Quantitative Model Risk: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns.

Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies Risks

Asset allocation involves incorporating asset classes with varying risk and return profiles in an effort to build a diversified portfolio with the long-term goal of generating a desired level of return for specific levels of risk. Asset allocation is a long-term investing strategy that does not involve active trading. Asset allocation and diversification do not assure a profit, or protect against loss in a declining market.

Long term investing is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Alternative investments possess risks that may be greater than the risks of traditional investments. The underlying investments contained within liquid alternatives securities may involve market risk, conflict of interest risk, higher fees, liquidity risk, less regulation, default risk, counter party risk, leverage risk, interest rate risk, manager risk, diversification risk, and foreign exchange risk. Alternative investments may be more volatile than traditional investments such as stocks and bonds.

Tactical Asset Allocation may involve market timing risk, increased trading and investing costs or other factors that can reduce returns. Tactical Asset allocation does not ensure a profit nor prevent against losses in a declining market.

Short term trading risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. ETF Model Solutions does not typically engage in short-term trading, but we may include within our models funds that implement short-term trading strategies.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward. ETF Model Solutions does not typically engage in short-sales, but may include in our models funds that implement short-selling strategies.

Options writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options. ETF Model Solutions does not typically engage in options and other derivatives transactions (such as **Futures Contracts**), but may include in our models funds that implement such strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

A. Risks of Specific Securities Utilized

ETF Model Solutions' use of funds that engage in short sales and options trading (including covered options, uncovered options, or spreading strategies) generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below). The per-share NAV of a mutual fund is calculated at the end of each business day although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing.

Exchange Traded Funds (ETFs). Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Generally, ETF shares trade at or near their most recent net asset value ("NAV"). However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) may be negatively impacted by several factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Exchange Traded Notes (ETNs). ETNs are a type of debt security that trade on exchanges and seek a return linked to a market index or other benchmark. Unlike ETFs, ETNs do not buy or hold assets to replicate or approximate the performance of the underlying index. The return on an ETN generally depends on price changes if the ETN is sold prior to maturity (as with stocks or ETFs) – or on the payment, if any, of a distribution if the ETN is held to maturity (as with some other structured products). An ETN's indicative value is computed by the issuer and is distinct from an ETN's market price, which is the price at which an ETN trades in the secondary market. Investors should understand that an ETN's market price can deviate, sometimes significantly, from its indicative value. ETNs are unsecured debt obligation of the issuer.

Closed End Funds (CEFs) are subject to market volatility and the risks of their underlying securities which might include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments. Investment return will vary and an investor's shares, when sold, might be worth more or less than their original cost. CEFs with complex or specialized investment strategies may experience increased market price volatility. The market price of a CEF may be significantly different than its NAV (a premium or a discount). CEFs frequently trade at a discount to NAV and there is no assurance a CEF will appreciate to its NAV.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Private placements carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets. ETF Model Solutions does not invest in private placements, but may include within the models funds actively include private placements such as private equity investments among their holdings.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Precious Metals prices can be volatile, as they are affected by various supply and demand risk factors. The discovery of new sources of ore or improvements in mining or refining processes may cause the value of a precious metal to diminish. Precious metals do not provide any interest or dividends and investors must rely on rising prices to generate a return on investment. Precious metals may face adverse tax consequences as they can be taxed as collectibles. Precious metals face increased costs over other investments, as the holdings may incur storage and insurance costs.

Master Limited Partnerships (MLPs) invest in infrastructure and corporations that own operating assets involved in energy production, transportation or storage. MLPs are partnerships that trade on a stock exchange. Unlike corporations, MLPs pass through income, gains, deductions, losses, and credits to investors annually, regardless of whether the MLP makes cash distributions. Investments in securities of MLPs involve risk that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP. MLP common units and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, as well as the risks of the underlying holdings within any particular MLP or MLP fund.

Hedge Funds. Hedge Funds are alternative investments that seek to derive a return other than just buying and holding equity or fixed income positions) but rather use a number of different strategies in order to earn active return, or alpha, for their investors. Hedge funds may be aggressively managed or make use of derivatives and leverage in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark). Hedge funds may have low correlations with a traditional portfolio of stocks and bonds, and thus allocating an exposure to hedge funds may help diversify a portfolio. Hedge funds may be in the form of private placements (see private placements) or as a registered 1940 Act mutual fund. Risks of hedge funds may include high expense ratios, manager risk, liquidity risk, counterparty risk, as well as the risks of any underlying investments utilized in the strategy (such as options, futures, equities, fixed income, foreign securities, short selling, private placement risk, and others).

Business Development Companies are entities that lend to young, thinly-traded, distressed, or firms with lower credit ratings that may not be able to access capital through other sources. The holdings within a business development company may involve credit/default risk, market risk, and liquidity risk. Business development companies may assess higher fees which can eat into potential returns. Business development companies may experience higher volatility than traditional investments.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Futures contracts are standardized agreements between two parties to buy or sell a specified asset (such as equities, bonds, commodities, precious metals) of standardized quantity and quality for a price agreed upon today (the *futures price*) with delivery and payment occurring at a specified future date, the *delivery date*. The contracts are negotiated at a futures exchange, which acts as an intermediary between the two parties. Futures involve risks including economic risk, market risk, commodities risk, counterparty risk. Futures investing may involve risk of loss greater than the initial investment, as futures trading often involves margin. Other risks may include economic risk, market risk,

counterparty risk, political/regulatory risk. Futures markets may involve higher than normal price volatility than more traditional investments such as equities or bonds.

General Risk of Loss. Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You must accept and understand that investment recommendations made by the adviser for an investment account or other financial planning advice is subject to various market, interest rate, liquidity, marketability, currency, economic, political, legal, business and/or other risks. In addition, these known and unknown risks may adversely affect investment results and/or the ability to achieve your investment objectives. We cannot offer any guarantees or promises that our recommendations will be profitable or that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither ETF Model Solutions® nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither ETF Model Solutions nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

ETF Model Solutions® is an affiliate of, and shares offices with, Endowment Wealth Management, LLC, an investment advisory firm. ETF Model Solutions and Endowment Wealth Management share intellectual property, primarily human resources, proprietary investment management and asset allocation research data, research tools, database services, and other operational resources. It is currently the firm policy to waive ETF Model Solutions model management fees for clients that are paying advisory fees to Endowment Wealth Management.

Robert Riedl is a licensed insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. ETF Model Solutions always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of ETF Model Solutions in such individual's capacity as an insurance agent.

Thomas Plantz Remley, Prateek Mehrotra, Robert Louis Riedl and Timothy Joseph Landolt are investment adviser representatives with another investment advisory firm, Endowment Wealth Management, Inc. From time to time, they may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. ETF Model Solutions always acts in the best interest of the client and clients are in no way required to the services of any representative of ETF Model Solutions in connection with such individual's activities outside of ETF Model Solutions.

Thomas P. Remley, an investment advisory representative of the firm, owns an interest in NYPPEX, LLC, (NYPPEX), a private broker/dealer, member Financial Industry Regulatory Authority and Securities Investor Protection Corporation. In 2011, Mr. Remley was offered, and accepted, a position on the NYPPEX Advisory Board. He is also a beneficiary of a trust which has ownership interest in NYPPEX. NYPPEX offers access to private placements and other alternative investments. Where appropriate, we may recommend that you purchase securities through NYPPEX. Recommendations to use NYPPEX may result in a conflict of interest because Mr. Remley has a financial incentive to recommend NYPPEX. However, you are under no obligation to purchase investments through NYPPEX and may obtain comparable services and/or lower fees through other firms.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

ETF Model Solutions does not utilize nor select third-party investment advisers. All assets are managed by ETF Model Solutions.

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

A. Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. ETF Model Solutions' policy is based upon the principle that its directors, officers, owners and employees owe a fiduciary duty to clients to conduct personal securities transactions in a manner that does not interfere with client transactions or would otherwise take unfair advantage of their relationship with our clients. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

B. Recommendations Involving Material Financial Interests

Conflict of interest situations that arise in connection with the management of the assets of Clients will be handled on a case-by-case basis. ETF Model Solutions® and its associated persons may have material financial interests in issuers of securities that ETF Model Solutions may recommend for purchase or sale by clients.

In addition, Thomas P. Remley, Member investment advisor representative of our firm, owns an interest in NYPPEX, LLC, (NYPPEX), a private broker/dealer, member Financial Industry Regulatory Authority and Securities Investor Protection Corporation. In 2011, Mr. Remley was offered, and accepted, a position on the NYPPEX Advisory Board. He is also a beneficiary of a trust which has ownership interest in NYPPEX. NYPPEX offers access to private placements and other alternative investments. ETF Model Solutions does not recommend that clients purchase securities through NYPPEX. Recommendations to use NYPPEX may result in a conflict of interest because Mr. Remley has a financial incentive to recommend NYPPEX. However, clients are under no obligation to purchase investments through NYPPEX and may obtain comparable services and/or lower fees through other firms.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of ETF Model Solutions® may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of ETF Model Solutions to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. ETF Model Solutions will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of ETF Model Solutions may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of ETF Model Solutions to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, ETF Model Solutions will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

ETF Model Solutions does not maintain custody of your assets that we manage or on which we advise, 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.

For clients using My Robo Adviser™, we require that our clients use MTG, LLC dba Betterment Securities (“Betterment Securities”), a registered broker-dealer, member 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. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your 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 on Betterment Institutional (defined below).

For clients accessing our models or our advisory services through ModelxChange, we require that our clients use Mid Atlantic Trust Company (“Mid Atlantic”), as the qualified custodian. We are independently owned and operated and are not affiliated

with Mid Atlantic Trust Company. Mid Atlantic will hold your assets in an account and buy and sell securities when we instruct them to. While we recommend that you use Mid Atlantic as a custodian, you will decide whether to do so and will open your account with Mid Atlantic by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with Mid Atlantic Trust Company, then we cannot manage your account through the ModelxChange® platform. Mid Atlantic generally charges a model unitization in addition to an asset based custody fee.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

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

In addition, custodians/broker-dealers will be recommended based on ETF Model Solutions' duty to seek "best execution," which is the obligation to seek to execute securities transactions for a Client on terms that are the most favorable to the Client under the circumstances. The Client will not necessarily pay the lowest commission or commission equivalent, and ETF Model Solutions may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of ETF Model Solutions®. ETF Model Solutions will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

YOUR BROKERAGE AND CUSTODY COSTS AT BETTERMENT

For our clients' accounts that Betterment Securities maintains, 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").

1) Research and Other Soft-Dollar Benefits

SERVICES AVAILABLE TO US VIA BETTERMENT INSTITUTIONAL

Betterment Securities serves as broker dealer to Betterment Institutional, an investment and advice platform serving independent investment advisory firms like us. 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. Betterment Institutional's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment Institutional's support services:

1. **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.
2. **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:
 - Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
 - Provide access to client account data (such as duplicate trade confirmations and account statements).
 - Provide pricing and other market data.
 - Assist with back-office functions, recordkeeping, and client reporting.
3. **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 may include:
 - Educational conferences and events.
 - Consulting on technology, compliance, legal, and business needs.
 - Publications and conferences on practice management and business succession.
 - Betterment Institutional helps develop and maintain the My Robo Adviser™ website portal to which you access our services.
4. **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 potential 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.

2) Brokerage for Client Referrals

ETF Model Solutions® receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3) Clients Directing Which Broker/Dealer/Custodian to Use

We do not allow directed brokerage.

(a) *My Robo Adviser.* We require the use of Betterment Securities as custodian for My Robo Adviser accounts.

(b) *Collective Investment Trust Investment Management.* ETF Model Solutions does not determine the custodian. This is determined by Alta Trust.

(c) *Managed ETF Models.* We require custody at Mid Atlantic for any clients accessing our models through ModelxChange.

(d) *Model licensing.* Turnkey asset management platforms or advisory firms licensing the models are responsible for negotiating custody agreements and terms with various custodians.

B. Aggregating (Block) Trading for Multiple Client Accounts

ETF Model Solutions does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. However our platform partners, custodians and/or brokerage firms where clients custody their accounts may aggregate block trades for multiple client accounts.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

(a) My Robo Adviser. ETF Model Solutions® oversees My Robo Adviser™ accounts, which are sub advised by Betterment Institutional. Betterment Institutional's program automatically reviews client accounts relative to Client goals and the recommended allocation and notifies clients upon login whether their account is on or off track to reach their stated goal(s). ETF Model Solutions will generally rely upon the algorithmic reviews to maintain client accounts and make subsequent client recommendations. ETF Model Solutions® will periodically review the Program allocations and client accounts to ensure that the Program is operating as intended, and that accounts are allocated appropriately according to the Client goals.

(c-d) Investment management, model management, model licensing. In addition to ongoing model and portfolio management review and monitoring, all other ETF Model Solutions asset allocation models and portfolio management/client accounts are reviewed on a quarterly basis by members of the Firm's Investment Committee with respect that that investment models are allocated consistent with the firm's strategic investment outlook and that client accounts are allocated consistent with their respective investment policy statements.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Portfolio Management reviews may be triggered by material market, economic or political events, or by changes in clients' financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client may have access to a daily report that details the client's account including assets held and asset value. These reports are provided by the custodian that holds the client's assets. These reports will be generated by the custodian and are typically available through credentialed access through the custodian's online website.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients Including Sales Awards or Other Prizes

ETF Model Solutions receives a non-economic benefit from Betterment Institutional and Betterment Securities in the form of the support products and services it makes

available to us for our 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.

ETF Model Solutions does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ETF Model Solutions clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

ETF Model Solutions may enter into written arrangements with third parties to act as wholesalers and/or solicitors for the Adviser's investment management services. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive either: (1) a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires, or, (2) a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of any referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

ETF Model Solutions' agreements limit wholesaler and solicitor activities to marketing and educational functions. Solicitors are not authorized to and may not provide investment advisory services in the course of their activities on behalf of ETFMS.

Item 15: Custody

ETF Model Solutions® does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements.

(a) *My Robo Adviser™* Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Betterment Securities to deduct our advisory fees directly from your account. Betterment Securities maintains actual custody of your assets. Your statements will be available for you to review on the activity section of your Betterment Institutional account portal. You will also receive account statements directly from Betterment Securities at least quarterly at through your access to your account at www.MyRoboAdviser.com. You should carefully review those statements promptly.

(b) *Clients that custody at Mid Atlantic Trust Company.* Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Mid Atlantic Trust Company to deduct our advisory fees directly from your account. Mid Atlantic Trust Company maintains actual custody of your assets. Your statements will be available for you to review on the activity section of your ModelxChange portal or, if you are a retirement Plan

Sponsor, one which will be provided to you by your Third Party Administrator (TPA). You should carefully review those statements promptly.

Platform sponsors negotiate custody and trading arrangements with brokerage firms that custody the separate and unified managed accounts. ETF Model Solutions does not control or maintain influence as to which custodians are available at any particular platform.

Item 16: Investment Discretion

(a) ETF Model Solutions® maintains discretion over My Robo Adviser™ accounts, collective investment funds to which trustees have employed ETF Model Solution as an investment manager, and over retirement Plan or other accounts that it provides model or investment management services to through Mid Atlantic's ModelxChange® platform to the extent that our model changes and rebalance instructions trigger transactions to bring your account into alignment with our intended target allocations.

Item 17: Voting Client Securities (Proxy Voting)

Unless otherwise agreed upon, ETF Model Solutions will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. In some instances, platform sponsors and/or custodians may offer proxy voting services for securities held in client accounts. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

ETF Model Solutions neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither ETF Model Solutions nor its management has any financial condition that is likely to reasonably impair ETF Model Solutions' ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

ETF Model Solutions has not been the subject of a bankruptcy petition in the last ten years.