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Wrap Fee Program Brochure

As of: November 9, 2015

This wrap fee program brochure provides information about the qualifications and business practices of Honest Advisors. If you have any questions about the contents of this brochure, please call Honest Advisors at (512) 550-0440 or email Honest Advisors at info@honestadvisors.com. This brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Honest Advisors is a registered investment advisor. It is registered with the SEC as an Internet Adviser pursuant Section 203(c) of the Investment Advisers Act of 1940 and Rule 203A-2(e) thereunder. Registration does not imply a certain level of skill or training.

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

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Services, Fees, and Compensation

Program Description

Honest Advisors offer employers a means to (i) establish non-401(k) retirement accounts for their employees; (ii) make employer contributions; and (iii) encourage employee contributions. The Program provides an easy way for individuals to regularly invest varying amounts of money and includes the services of Honest Advisors. Honest Advisors interacts with clients using a software application (the “**Portfolio Selection Tool**”) developed by its parent company, Honest Dollar, Inc. (“**Honest Dollar**”).

Honest Dollar was created with the intention of making retirement saving easy. At its core, Honest Dollar is a software company. Its Portfolio Selection Tool is designed to: (i) prompt saving behaviors, early and often; and (ii) encourage investments in portfolios that benefit from the cost savings associated with indexing. The Portfolio Selection Tool avoids “active” management and its incremental expenses, by adopting Vanguard’s strategic model portfolios.

Depending on the plan adopted by its employer, our clients will establish a SEP-IRA, a Simple-IRA or similar retirement account (an “**IRA**”) and appoint Apex Clearing Corporation, a New York Corporation (“**Apex**”), as the IRA’s custodian. Apex is a registered broker-dealer and unaffiliated with Honest Advisors or its principals. We place orders with Apex to buy, rebalance, and sell the ETFs and Apex executes and allocates the ETFs interest to each client’s IRA.

Our clients enter their information on a mobile or web-based platform and the Portfolio Selection Tool develops a personal investment profile based upon the investment objective questionnaire. Based on the client’s profile, the proprietary intelligence allocates the client to one of six (6) strategic model portfolios. Each model portfolio is comprised of Vanguard exchange-traded funds (“**ETFs**”) with asset allocations ranging from entirely fixed income to entirely equity, in order to service all investors. By combining brokerage and advisory services into the Program, Honest Advisors simplifies the investment process for its customers.

The Program was designed for early adoption retirement savings and does not incorporate overall financial or tax planning. It encourages retirement investment from a population that historically does not participate or under-participates in retirement savings. The Program combats investor inertia by alleviating the overwhelming myriad of choices and focusing on a finite set of investment alternatives. It does not consider the full universe of investments available to investors.

Portfolio Management

Honest Advisors does not construct or manage the model portfolios. The six strategic model portfolios are designed by Vanguard by mixing concentrations in the Total US Equity, the International Equity, the Total Bond, and the International Bond ETFs.

The Portfolio Selection Tool develops an investor profile for each client based on the client’s self-reported information and recommends the model portfolios with the target asset allocation that corresponds with the investor’s profile (the “**Suggested Portfolio**”). Clients are not bound by the recommendation and may manually select a different model portfolio. Once a client selects a model portfolio (the “**Selected Portfolio**”), its investment transactions will be executed in order to mirror the Selected Portfolio’s target allocation.

Honest Advisors’ clients agree to rebalance holdings automatically and to re-invest dividends automatically. If the account’s holdings significantly deviate from the Selected Portfolio’s target

allocation, then Honest Dollar will initiate a rebalancing to bring the holdings within an acceptable range of the target allocation.

Honest Advisors provides investment advisory services only through the Program. Clients should consider which, if any, of the portfolios offered through the Program results in the best allocation for their specific circumstances.

Fees

Save and except extraordinary expenses, the Program's costs are contained in a single wrap fee. A **"Wrap Fee"** is generally considered a fee that includes investment advisory services and brokerage services. The Program is designed to promote employee participation in their retirement savings. Accordingly the Wrap Fee is generally paid for by the client's employer. Individual clients may elect to continue utilizing our services beyond the existence of their employment relationship. The Wrap Fee is generally \$10 per employee per month. The Fee is generally non-negotiable, but is discounted 20%, to \$96 per employee, per year, if paid in advance. The Wrap Fee includes most of the investment expenses that are typically paid by investors, such as: retirement account establishment/maintenance expenses, investment advisory fees, and brokerage fee. Honest Advisors reserves the right to waive any fees associated with the Program at its sole discretion.

Expenses that are excluded from the Wrap Fee and for which clients are independently responsible, if incurred, are listed in Schedule A.

No portion of the Wrap Fee is payable to Vanguard or its ETF's managers. Vanguard's ETF's managers charge their own fees, each of which is fully discussed in the ETF's corresponding prospectus. The Vanguard strategic model portfolios used in the Program have asset-weighted expense ratios ranging from 0.085% - 0.10%. The underlying ETF's expense ratios range from 0.05%-0.19

The cost of the Program may be more or less than if the client purchases such services separately. If a client were to separately purchase investment advice and pay for execution of multiple transactions, particularly small transactions, its cost might well exceed the \$10/month paid by its employer. Moreover, the Program includes significant assistance in guiding the employer through establishing the investment accounts at costs that are significantly less than the employer would incur if it were to establish a 401(k) or similar plan. Conversely, some asset-based fee models could potentially create temporary fee arrangements that have lower percentage costs for the employee. For example: assume a client incurs an annual Program fee of \$120 and ETF expenses of 0.1%. If that client that maintains an account balance of just \$10,000, it is recognizing a 1.21% expense ratio. However, if that client's account balance is \$50,000, its expense ratio is just 0.24%. There are two primary reasons why Honest Advisors opted for this type of fee arrangement.

1. Practically all of the expense is a tax deductible employer expense. The employer gets access of the retirement plan administrative software, and participants benefit from low cost investing and easy to use mobile application.
2. The platform encourages savings past small account balances. Retirement accounts are "sticky" in that inert participants and plan sponsors rarely change providers. Asset-based models get exponentially more expensive as assets increase.

Brokerage and Custody Services

Our Program clients establish their IRA accounts with Apex. We use Apex as custodian for the client's Program accounts. Honest Advisors places and executes its orders to buy, rebalance, and sell the ETFs

with Apex, who executes and allocates the ETFs interest among each of the Programs end-users' IRAs. . Apex will be responsible for confirmations, statements and custodian services.

Account Requirements and Types of Clients

The Program is available to individuals who are legal U.S. residents and maintain a checking account with a U.S. bank. There is no minimum account size nor deposit size.

Portfolio Manager Selection and Evaluation

Honest Advisors selected Vanguard Strategic ETF Portfolios after reviewing several bundled and unbundled options. We decided on ETFs because of their reduced costs and fee transparency. Initial strategic level research led Honest Advisors to the eleven largest, most liquid ETF providers. Based on expense ratios and whether they were actively or passively managers, we paired the providers down to four. We further considered whether each remaining ETF provider offered ETF's in the core segments, their expenses and performance. Further, because simplicity is a primary driver, we opted to select a single provider that provided ETFs in the Total US Equity, International Equity, Total Bond, & International Bond sectors. Vanguard offers index ETF's in each of the sectors and their fees are generally less than the fees charged by comparable ETF providers, particularly in the bond sectors. Further, we have not found a discernable difference in their performance. Moreover, Vanguard maintains strategic ETF model portfolios with equity/fixed income ratios of 0/100, 20/80, 40/60, 60/40, 80/20, and 100/0.

Neither Honest Advisors nor any related person participates in the design of the strategic model portfolios or is a manager for any of the ETF assets used in them. Neither Honest Advisors nor any related persons is compensated for, has an interest in or otherwise receives remuneration based on the model portfolio's target allocation. Honest Advisors does not select the ETF's, their respective target allocation nor does it manage, control, supervise or otherwise exert any influence over Vanguard's ETF managers in the Program.

Client Information Provided to Portfolio Managers

Honest Advisors manages all client portfolios directly using the Portfolio Selection Tool. The Portfolio Selection Tool utilizes client information (i) to recommend a Suggested Portfolio; and (ii) to rebalance, reinvests and otherwise promote alignment with the Selected Portfolio's target allocation. Honest Advisors does not otherwise share client information with the underlying ETF managers. Each client's individual Program account at Apex will own its ETF holdings directly. We anticipate that Apex will maintain those records in street name. Apex is unlikely to share client identifying information with the ETF managers, except where such information is necessary for dissemination of investor communications, proxies and the investor's exercise of its voting rights.

At account opening, clients must provide: age; financial condition; employment status, time horizon and risk tolerance. Honest Advisors will require clients who accumulate investments exceeding specified amounts to provide additional information regarding their financial circumstances from time to time.

Client Contact with Portfolio Managers

Honest Advisors provides investment advice only through Honest Dollar's online interactive software application. Clients may contact Honest Dollar via email but access to investment advisory personnel is limited. Personnel are only available during normal business hours and primarily only to address technical issues. Honest Advisors is registered only as an Internet Adviser which means that it cannot

provide individualized investment advisory services. Accordingly, no individualized investment services are offered. Moreover, Honest Advisors' investment advice is limited to recommending a Suggested Portfolio from the finite number of strategic model portfolios. The Program does not consider all possible investment alternatives that may be available, but rather attempts to provide generally simplified alternatives to alleviate the overwhelming myriad of choices.

At all times, the client has the ability to modify its Selected Portfolio and select a different portfolio. Moreover, additional information regarding the underlying ETFs is available at www.vanguard.com.

Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Honest Advisors or the integrity of Honest Advisors' management. Honest Advisors has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

Lance Huntley, Chief Compliance Officer, is not actively engaged in other business activities.

Honest Advisors requires that clients establish brokerage accounts with Apex, a registered clearing firm, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Honest Advisors is independently owned and operated and not affiliated with Apex.

Honest Advisors is affiliated through common control and with Honest Securities LLC, a firm pending registration as a broker-dealer. Individuals associated with Honest Advisors as an Investment Adviser Representative ("IAR") may also be registered as a Registered Representatives of Honest Securities LLC. When applicable, broker-dealer services may be offered to clients. All related compensation is separate from advisory services. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

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

Honest Advisors has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Honest Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of Honest Advisors may buy or sell securities that are recommended to clients. Honest Advisors' employees and persons associated with Honest Advisors are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Honest Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Honest Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Honest Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Honest Advisors' clients. In addition, the

Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Honest Advisors and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or about the same time. Generally, this would pose a conflict if the Advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an Advisors account or related persons account on the same day as a client unless the client gets the better price.

Trades may be done on an aggregated basis when consistent with Honest Advisors' obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will receive securities at a total average price. Honest Advisors will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Clients may request a copy of the firm's Code of Ethics by contacting the Compliance Department at our main number.

Review of Accounts

Honest Advisors reviews accounts on a limited monthly basis for accounting purposes. Further, rebalancing reviews occur quarterly. Clients are encouraged to update Honest Advisors of any change in their objectives.

Our clients agree to inform us of any material changes to the information included in the questionnaire or any other change in their financial circumstances that might affect our asset allocation recommendation. We will, at least annually solicit updated client information through the Portfolio Selection Tool or other electronic media. Clients may update their information at any time through the mobile or web based portal.

Client Referrals and Other Compensation

Honest Advisors receives the above described Wrap Fee from the client's employer for providing the Program, including the Portfolio Selection Tool. Honest Advisors does not receive any other economic benefit by anyone other than the client for providing investment advice and other advisory services.

Honest Advisors pays Honest Dollar a licensing fee for the software application. Honest Dollar provides the marketing, technical and back office support for Honest Advisors. Honest Advisors is a wholly owned subsidiary of Honest Dollar. Honest Dollar is compensated for its solicitation services on behalf of Honest Advisors. According to the Master Licensing and Services Agreement, Honest Advisors pays Honest Dollar \$7.00 per plan participant per month, less any discounts applicable to such participants. All plan discounts are absorbed by Honest Dollar, not Honest Advisor. In other words, Honest Advisors retains \$3.00 per plan participant, the remainder of the fee is paid to Honest Dollar as the Licensing Fee which includes solicitation services. The client will not be charged any amount for the cost of obtaining his account in addition to the advisory fee. There is no differential among clients regarding the amount or level of advisory fees charged by Honest Advisors attributable to Honest Advisors' agreement with Honest Dollar to compensate Honest Dollar for soliciting clients or referring clients.

Termination of Advisory Relationship

This relationship may be terminated pursuant to Section 8.3 of the Program Agreement.

Privacy

The information you provide to Honest Advisors, including your personal information, is subject to the terms of Honest Advisors' Privacy Policy, which is available at www.honestdollar.com/legal.

Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about their financial condition. Honest Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, nor has it been the subject of any bankruptcy proceeding

SCHEDULE A

POTENTIAL EXPENSES NOT COVERED BY THE WRAP FEE

Below is a list of Apex fees you must incur that are not included in the Wrap Fee. These fees would be incurred at your request, beyond our control and accordingly excluded from the fees and services covered by the Wrap Fee. Should you incur any of these fees, you will be responsible for their payment in accordance with the terms and conditions of your account opening agreements. This list of fees is the current list of Apex fees, as represented to us by Apex, but Apex reserves the right to change these fees in the future.

Banking:

Wire Transfers (Domestic Bank)	\$25.00 per wire
Wire Transfers (Foreign Bank)	\$50.00 per wire
Paper Check Draft (USD) Domestic	\$5.00 per check
Paper Check Draft (USD) International	\$10.00 per check
Returned Checks / ACH / Wires and Recalls	\$30.00 per item (Including amendments/repairs)
ACH Notice of Correction	\$5.00 per notice
Stop Payments on Apex Issued Checks	\$30.00 each
Check Copies	\$15.00 each
Third Party Distribution Notification	\$2.00 per notification

Operations:

Postage and Handling (Paper Only)	
Confirms	\$2.00 per confirm
Statements (monthly and quarterly)	\$5.00 per statement
Paper Tax Statements	\$5.00 per statement
Historical statements	
Account Transfers (full or partial):	
Outgoing	\$75.00 per account
DTC Delivery	\$25.00 per security
Internal	\$75.00 per account
TOD Account Transfer Fee	\$200.00 per transfer
Mailgrams / NYSE Extensions	\$25.00 per item
Prepayment, if amount is:	
less than \$10,000	\$20.00 If amount
over \$10,000,	0.2% of unsettled amount.
Overnight Mail – Domestic	\$50.00 per request
Overnight Mail – International (including Canada)	\$100.00 per request
ADR Cancellation/Creation	\$100.00 per transaction, plus Agent Cable Fees
Reorganization Activity	
Dividend Check	\$ 5.00 per item
Domestic Voluntary / Post Actionable Reorgs	\$50 per CUSIP, per Account
International Voluntary / Post Actionable Reorgs	\$100 per CUSIP, per Account
Death Put	\$100 per request
Reorg Physical Processing Fee	\$125 plus Transfer Agent Fee
Reorg Wire Fee (Domestic)	\$25 each
Reorg Wire Fee (International)	\$50 each
Retirement Plan Services	
401K Annual Maintenance	\$250.00 per account
Margin Sell out Fee	\$25.00 per ticket
Short Forced Buy-In Fee	\$25.00 per ticket
Non-transferable stocks	\$10.00 per month each