

Snowball Finance, Inc.

399 Fremont Street
#3102
San Francisco, CA 94105

Telephone: (415) 640-5992

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Snowball Finance, Inc. If you have any questions about the contents of this brochure, contact us at 415-640-5992. 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 Snowball Finance, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Snowball Finance, Inc. ("Snowball") 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 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

We are a newly registered investment adviser; therefore, we have no material changes to report.

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Item 4 Advisory Business

Description of Firm

Snowball Finance, Inc. is a registered investment adviser based in San Francisco, California. We are organized as a corporation under the laws of the State of Delaware. Snowball was formed in December 2018 and is owned by Parul Gujral and Michael James Bucci.

We are registered with the SEC based on Rule 203A-2(e) under the investment Advisers Act of 1940, as amended (the "Advisers Act"), which is available to an investment adviser that provides advice solely through the Internet. Snowball provides advice to Clients exclusively through the Platform as described below.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Snowball Finance, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Types of Advisory Services

We provide investors with access to cryptocurrency baskets through our investment platform ("Crypto Baskets"). Snowball performs the necessary evaluation and selection process to bring new crypto baskets onto our platform. Snowball's selection process is designed to assure that crypto baskets listed on its platform meet a high standard of quality.

We match Clients with Crypto Baskets based on the investing preferences that they indicate on the Platform and on factors such as their current net worth and experience investing in cryptocurrencies and other assets similar to the Crypto Baskets available on the Platform. Based on that information, and as the Client updates that information on the Platform from time to time, we provide Clients, through the Platform, with suggested allocations for various types of Crypto Baskets based on the desired risk level of the Client, including specific suggestions on potential investments in Crypto Baskets that the Client may be interested in. A complete list of Crypto Baskets that are available for investment at any given time is available on the Platform.

We serve as a non-discretionary investment adviser to our Clients, meaning that Clients maintain full discretion to make all investment decisions. Once Clients have determined whether they agree with the allocations and the specific investments proposed by us, they indicate their approval on the Platform. Prior to investing, Clients may adjust the allocations and specific investments at their discretion.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

Following a Client's initial investments on the Platform, Clients will have the option to rebalance their portfolio at the end of each month to be in line with Clients' initial investment strategies. Clients that choose this option will have the ability to alter their investment objectives and preferences. If they do so, we will provide updated recommendations for rebalancing. Rebalancing will only take place following approval from the Client.

Transactions other than periodic rebalancing must be initiated by the Client. Clients are free to initiate purchases and sales of Crypto Baskets held in their account at any time, subject to our ability to buy or sell the Crypto Baskets through a third-party exchange. In certain cases, based on our ability to buy or sell a Crypto Basket, the delay in following a Client's instructions may be significant.

During the registration process for the Platform, each Client electronically executes an advisory agreement ("Advisory Agreement") with the Adviser. Clients receive the Adviser's Form ADV, privacy policy and other applicable investment documents electronically during the registration process as well.

Types of Investments

We offer advice on cryptocurrencies and digital assets.

We encourage you to visit the following Securities and Exchange Commission ("SEC") websites for additional information and understanding of digital assets in the regulatory environment.

- <https://www.sec.gov/ICO>
- SEC's Public Statement
- SEC's Investor Bulletin

Prior to recommending any non-traditional assets to clients, we will ensure that such non-traditional asset is properly registered, or is exempt from the registration requirements, with the SEC or any other state or federal regulatory agency. Similarly, if any person associated with our firm recommends such non-traditional asset, we will ensure that such individual(s) are properly registered, or exempt from the registration requirements, with the SEC or any other state or federal regulatory agency. Additionally, upon any further relevant regulatory changes, we will promptly amend the ADV Part 2A Brochure and any client advisory agreements that include non-traditional assets as part of the advisory services.

Assets Under Management

We are a newly registered investment adviser; therefore, we do not have any discretionary or non-discretionary assets under management.

Item 5 Fees and Compensation

Portfolio Management Services

We charge fees for portfolio management services based on a percentage of assets under management. Our asset-based fee takes the form of an initial fee for access to our platform and then an annual fee for ongoing advisory services.

Our initial asset-based fee is due and payable upon account inception and is equal to 1.5% of the market value of your initial assets under our management. Our annual fee for portfolio management services based on a percentage of assets under management for non-traditional assets is equal to 1.5% of the market value of your assets under our management. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. Our annual portfolio management fee is billed and payable, monthly in arrears, based on the balance at the end of billing period.

If the Advisory Agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

You may terminate the Advisory Agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the Advisory Agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to the following types of clients:

- Individuals;
- High net worth individuals;
- Banking or thrift institutions;
- Pension and profit sharing plans (but not the plan participants);
- Charitable organizations;
- Corporations or other businesses not listed above;
- State or municipal government entities;
- Other investment advisers; and
- Insurance companies.

In general, we require a minimum of \$100 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

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

Snowball employs a selection process to assure that Baskets listed on its platform meet a high standard of quality. We utilize certain evaluation criteria as the baseline for our selection process, including the following three criteria listed below:

Fund Strategy

Our team will also evaluate the overall fund strategy to determine if there is merit in the approach. Funds should have a clear approach and a well described methodology. For example, two separate funds may both cover the "Top 10" cryptocurrencies by market cap, but approach them differently. One might allocate capital equally across each of the 10 cryptocurrencies, or arbitrarily, based on a specific rationale. Another may allocate by market capitalization or some derivation thereof. One fund may employ a tolerance or time-interval-based rebalancing strategy, another might not employ any rebalancing methodology at all. There are a multitude of variables that may exist. Our team will evaluate and select the funds that appropriately describe the methodology and approach, as well as the rationale

Regulatory Compliance or Independent Certification

Not all Baskets available under the Snowball platform may have been submitted for regulatory scrutiny or independent certification, however of the ones that have, Snowball will indicate them with a high-visibility badge. Snowball will also include this as a screening criteria for manual searches. Our team will not include funds that have been identified in the community as likely frauds or without the appropriate track record.

Minimum AUM

We believe a fund's ability to attract outside capital, whether from public investors or via institutions, is one of the surest ways to demonstrate its credibility. This is not unlike the way hedge funds are evaluated in non-cryptocurrency funds, and serves as a cornerstone to the way Snowball will evaluate fund selection. For a fund to participate in Snowball's platform, it will be required to have no less than USD 10 million in Assets Under Management (AUM), and no less than ten separate sources of capital.

We match Clients with Crypto Baskets based on the investing preferences that they indicate on the Platform and on factors such as their current net worth and experience investing in cryptocurrencies and other assets similar to the Crypto Baskets available on the Platform. Based on that information, and as the Client updates that information on the Platform from time to time, we provide Clients, through the Platform, with suggested allocations for various types of Crypto Baskets based on the desired risk level of the Client, including specific suggestions on potential investments in Crypto Baskets that the Client may be interested in.

A complete list of Crypto Baskets that are available for investment at any given time is available on the Platform.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

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. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Cryptocurrency Market Risks

There are many significant risks associated with investing in Cryptocurrency. Investing in Cryptocurrency is only suitable for certain sophisticated investors who fully understand the risks involved in investing in Cryptocurrency, are willing to accept them, and can bear the potential loss of their entire investment on the Platform. We provide no assurance as to whether the investments will be profitable. Further, past performance is not necessarily indicative of future results.

Cryptocurrency markets are a highly speculative, volatile and they carry a great deal of risk. The risks are significant and all cryptocurrency value could go to zero or near zero.

Possible risks associated with Cryptocurrency include:

- Attacks to slow down the adoption of Cryptocurrency.
- Attacks to reduce the efficiency of the Cryptocurrency infrastructures.
- Attacks to slow down Cryptocurrency development.

Attacks to slow down the adoption of Cryptocurrency include, but are not limited to:

- Ban of Cryptocurrencies by one or many countries
- Oppressive taxation by a major country
- Legal persecution of a prominent Cryptocurrency figure
- Public persecution of a prominent Cryptocurrency figure
- A United Nations/World Trade Organization level attack on Cryptocurrency
- Large scale attack on Cryptocurrency merchants
- Hack of a major Cryptocurrency merchant
- Mass digital surveillance to steal private keys and or deanonymize users.
- Influencing the public opinion to associate Cryptocurrencies with criminals
- Spreading fear uncertainty and doubt in
- Large-scale leak of user information from a major Cryptocurrency merchant
- Creating a similarly named altcoin to confuse users
- Astroturfing social and political opposition to Cryptocurrencies
- Gaining control over a major Cryptocurrency community

- Splitting up a major Cryptocurrency community

Attacks to slow down the efficiency of Cryptocurrency infrastructure include, but are not limited to:

- Creating a flood of transactions with a goal of slowing down the network
- Sybil attack on nodes
- DoS attack on nodes
- Timejacking of nodes
- A majority attack by state-sponsored miners
- Using some zero-day exploit of the client code to disturb the network
- Using some zero-day exploit in Cryptocurrency cryptography
- Malicious modifications of transactions on the Internet Backbone level
- Compromising the code with a carefully hidden vulnerability
- A country-wide filtering of Cryptocurrency traffic
- Forcing a major CPU or OS developer to implement relevant vulnerabilities
- Forcing a major software or hardware wallet provider to implement relevant vulnerabilities
- Gaining direct control over a major software or hardware provider

Attacks to slow down the development of Cryptocurrencies include, but are not limited to:

- Gaining direct control over a miner by a state sponsored entity
- Preventing necessary upgrades from being implemented
- Manipulating a part of the community into supporting a malicious fork
- Gaining direct control over an influential developer
- Hijacking admin rights in a major code repository
- Killing or incapacitating an influential developer

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We only recommend Crypto Baskets and crypto-related investments and do not recommend various types of securities.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**Description of Our 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 persons associated with our firm. 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. All persons associated with our firm are expected to adhere strictly to these guidelines. 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.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

All transactions are conducted to and from a Client's account that is held with the Custodian. The Client's account holds the Client's interest in all Crypto Baskets and U.S. dollars deposited by the Client or purchased through transactions facilitated by the Adviser. As part of the onboarding process, Clients must authorize the Adviser through a limited power of attorney to open accounts with the Custodian on its behalf and to effect transactions to and from the Client's account on behalf of the Client.

We recommend the custodial services of Prime Trust for cryptocurrency coins. Prime Trust, member, American Bankers Association and Nevada Trust Company Association, is an independent qualified custodian and non-depository trust company regulated by the banking commissioner's office at the Financial Institutions Division.

While you are free to choose any broker-dealer or other service provider as your custodian, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationship may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the recommended broker-dealer provides quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in

proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

While reviews of your investment account(s) are not part of the contracted services, at your request we will review your investment account(s). Otherwise, we do not review or monitor your investment account(s) or review statements you receive from any third-party money manager or account custodian. At your request, we may meet with you and/or your other professionals to discuss asset allocation, but we will not make recommendations regarding specific investments or provide any regular written reports to you. At our sole discretion, reviews and meetings may be subject to our then current hourly rate.

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

We do not directly debit advisory fees from your account and we do not exercise custody over your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact your custodian directly.

Item 16 Investment Discretion

Form ADV Part 2A requires registered investment advisers to disclose whether or not they accept discretionary authority to manage client accounts. We do not provide discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.