



# ML Wealth, LLC

**Firm Brochure  
(Part 2A of Form ADV)**

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This brochure ("Brochure") provides information about the qualifications and business practices of ML Wealth, LLC ("MLW"), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that MLW has registered its business with federal regulatory authorities, including the United States Securities and Exchange Commission (MLW CRD#: 289521). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact MLW's General Counsel, Mr. David M. Schechter at [DSchechter@moneylion.com](mailto:DSchechter@moneylion.com). Additional information about MLW is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**September 6, 2019**

## **Item 2      Material Changes**

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MLW will ensure that clients receive a summary of any material changes to its Brochure within 120 days of the close of its business' fiscal year. Furthermore, MLW will provide clients with other interim disclosures about material changes as necessary. The date of the last Annual Update of Part 2A was March 29, 2019.

As of the date of this Brochure, MLW has the following material changes to report:

- Item 4: Detail has been added to indicate that the MoneyLion Plus membership program has been modified such that, as of June 2, 2019, for certain members (i) the Automated Investing requirement was eliminated, (ii) the membership fee for the MoneyLion Plus program was decreased from \$29 per month to \$19.99 per month, and (iii) the Cashback Bonus was replaced by Lion's Share Rewards. This Item has also been amended to reflect the addition of the Credit Builder Plus Loans available in the MoneyLion Plus membership program, and the collateral requirements associated with such loans.
- Item 5: Updates reflect that MLW will charge an Administrative Fee of \$1 per quarter to every client with assets that have a market value of \$5 or more as measured on the final day of each quarter, to offset administrative fees charged to Adviser by DriveWealth. This Administrative Fee will be automatically withdrawn from applicable client accounts beginning in the third quarter, 2019. This item has further been updated to clarify that affiliates of MLW will receive additional compensation in connection with Credit Builder Plus Loans, the costs of which are in addition to – and are not covered by – the administrative costs and membership fees associated with the MoneyLion Plus membership programs.
- Item 8: Updates reflect the risks associated with pledging client assets as collateral to secure Credit Builder Plus Loans.
- Item 10: Disclosure has been added to explain the conflicts of interest associated with offering the Credit Builder Plus Loans, which result in additional compensation to MLW's affiliates and which will impact the management of clients' investment accounts. Additionally, Item 10a has been modified to disclose the recent FINRA approval of MoneyLion Securities LLC, a broker-dealer entity affiliated with MLW.

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## **Item 4      Advisory Business**

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### **A. General Description of the Firm**

MLW is an automated internet and mobile phone-based investment advisory service, registered with the Securities and Exchange Commission (“SEC”) as of September 20, 2017, and wholly-owned by MoneyLion, Inc. MLW provides portfolio management services for client accounts exclusively through an online interface and mobile phone application.

### **B. Summary of MLW’s Advisory Services**

MLW utilizes its online platform to collect personal investment criteria with respect to client profiles, with a view toward assessing clients’ risk tolerances to determine appropriate investment strategy. This profile information is used to determine overall client suitability for the MoneyLion Credit Builder Plus (“Plus”) or MoneyLion Core (“Core”) programs (described below in this Item 4B). Potential clients deemed not suitable for the Plus program or the MLW investment adviser are denied membership.

MLW will invest client assets into Exchange Traded Fund (“ETF”) model portfolios that reflect the clients’ stated risk tolerances (the “Personalized Allocation Strategy”). The Personalized Allocation Strategy will recommend one of five ETF model portfolios based on a client risk profile (conservative, moderately conservative, moderate, moderately aggressive, aggressive). Clients can also override the recommended Personalized Allocation Strategy and choose a different one of the five portfolio models, or clients may opt into an equity only model or a fixed income only (coming soon) ETF model. MLW’s selection of portfolios will be based on clients’ responses to a risk questionnaire and, although MLW will gather additional information as part of the membership application process, for many clients the Personalized Allocation Strategy is currently based solely on stated risk tolerance. MLW will provide detail to clients with respect to the allocation of securities in the ETF portfolio MLW has recommended.

The Personalized Allocation Strategy described herein utilizes highly liquid, low-fee ETFs and takes into consideration historical and projected risks and rates of return. Clients may not impose restrictions on investing in certain securities or types of securities, but may modify the portfolio strategy into which they have been allocated.

#### **The MoneyLion Plus and MoneyLion Core Membership Programs:**

MLW’s automated internet and mobile phone-based investment advisory service is offered as just one of many components of ML Plus LLC’s (“ML Plus”) Plus or Core membership programs, which provide access to MLW’s affordable, professional portfolio management and other tools (provided by ML Plus and not MLW) to enhance clients’ credit, financial well-being and financial literacy. ML Plus is a non-adviser entity under common control with MLW.

Additional deposits may be made at any time. ML Plus examines each customer individually to determine whether they are suitable to join the Plus membership program.

Additional services in the Plus and Core programs are not provided by MLW, and may include, but are not limited to, access to low-APR loans ("Credit Builder Plus Loans") that are originated by non-MLW, non-adviser entities which may be under common control or otherwise affiliated with MLW ("Lenders"), free credit monitoring analytics tools, monthly credit reporting to credit bureaus, financial literacy materials, low or no-fee bank accounts and debit cards, and other rewards opportunities. For a more complete description of ML Plus and other related entities, please refer to Item 10.

Membership in the Plus program costs clients \$19.99 per month. The membership fees are charged by ML Plus and not by the MLW investment adviser. Clients have the opportunity to earn back their entire membership fee each month by engaging with the app daily and making purchases with their MoneyLion debit card. Membership in the Core program is free, but Core members will only be provided with a limited subset of the offerings available to Plus program members.

Clients in the Plus program have access to Credit Builder Plus Loans, which are originated by Lenders affiliated with Adviser. In order to obtain a Credit Builder Plus Loan, clients will be required to (i) pledge the cash and securities in their investment accounts as collateral for the loan, and (ii) establish a "Credit Reserve Account" in the client's name at DriveWealth LLC ("DriveWealth"), the clearing broker and custodian for Core and Plus program investment accounts. Depending upon the creditworthiness of the client as determined solely by Lenders, clients may be required to hold a portion of their loan principal in their Credit Reserve Account until the loan is paid off (the "Required Deposit"). Funds in the Credit Reserve Account will be automatically invested into non-marginable securities that Adviser will choose, which for this purpose may include, but may not necessarily be limited to, a Dreyfus Treasury Securities Cash Management Administration fund (DARXX). Clients will not be able to access any portion of their Required Deposit until they have paid back the full principal of their Credit Builder Plus Loan. The amount of the Required Deposit will differ between Plus program Clients depending upon applicable underwriting criteria and the terms of their Credit Builder Plus loans. Clients are not able to request any modification to, or impose any restrictions on, the marginable securities into which their Required Deposit is invested. Clients will not be able to identify specific securities or types of securities within their investment accounts to be pledged as collateral to a Credit Builder Plus Loan.

## **June 2, 2019 Pricing Changes and Migration to the Updated Plus Program**

As of June 2, 2019, the terms of the former MoneyLion Plus program were modified for all new MoneyLion Plus customers, pursuant to which (i) the legacy Automated Investing requirement (which had required former Plus Program members to deposit \$50 each month into their investment accounts) was eliminated, (ii) the membership fee for the MoneyLion Plus program was decreased from \$29 per month to \$19.99 per month, and (iii) the Cashback Bonus was replaced by a new program designed to reward customers for engaging with the MoneyLion app and its various features ("Lion's Share Rewards").

Existing MoneyLion Plus members were initially given the option of either maintaining their preexisting MoneyLion Plus program terms, or migrating to the updated Plus program, although they were prohibited from taking out new loans from MLW affiliates unless they switched to the updated Plus program.

In the fall of 2019, ML Plus plans on converting all legacy Plus Program members to the updated Plus program (*i.e.*, decreased membership fee, elimination of mandatory monthly investment account contribution requirement, shift from daily cashback to Lion's Share rewards, etc.). ML Plus will provide 30 days' notice of this migration to all such legacy Plus Program members, so that, if they do not want to be subject to the terms of the updated Plus program, they will have sufficient time to pay off their loans and cancel their memberships before such changes go into effect.

### **C. Personalized Services and Investment Restrictions**

MLW's Personalized Allocation Strategy will offer an investment advisory service to identify key elements of the client's financial profile and to determine an allocation of ETFs to best fit the client's individual investment profile. Elements currently considered are, for many clients, limited to the client's stated risk tolerance (age is an added element considered for some clients). More information on the Personalized Allocation Strategy can be found in Item 8. Clients may not impose restrictions on investing in certain securities or types of securities.

### **D. Participation In Wrap Fee Programs**

Wrap Fee Programs are generally arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

Clients do not pay any investment management fees or brokerage execution fees. Brokerage execution fees are negotiated and paid by MLW. However, clients pay an Administrative Fee as explained more fully in Item 5. MLW does not presently participate in, and is not a sponsor of, any wrap fee program.

### **E. Assets Under Management**

MLW manages the following amount of discretionary and non-discretionary client assets calculated as of July 25, 2019: \$42,561,095

Discretionary: \$42,561,095

Non-discretionary: \$0

## **Item 5 Fees and Compensation**

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### **A. Advisory Fees and Administrative Fees**

Although MLW does not charge an advisory fee for client assets invested through its automated investment service, MLW automatically charges a quarterly administrative fee of \$1 to every client whose automated investment account assets have a market value of \$5 or more as of the final day of each quarter (the “Administrative Fee”). The Administrative Fee is designed to offset certain administrative fees incurred by MLW from DriveWealth in connection with access to the DriveWealth platform. The Administrative Fee is charged on a quarterly basis in arrears, and will first take effect as of the third quarter of 2019. MLW reserves the right, in its sole discretion, to institute an advisory fee for all or certain client accounts in the future upon such clients’ written consent. In addition, MLW may reduce or waive its fees for the accounts of some clients without notice to, or fee adjustment for, other clients.

### **B. Other Account Fees**

A summary of fees associated with the Plus program membership can be found in Item 4B, above.

Neither MLW nor its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for client accounts.

The issuers of some of the securities or products MLW purchases for clients may charge product fees that affect clients. MLW does not charge or pass these fees on to clients, and MLW does not benefit directly or indirectly from any such fees. However, an ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affects the fund's performance and indirectly affects a Client's portfolio performance or an index benchmark comparison (See Item 8C for a more detailed explanation). Such fees and expenses may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. These ETF expenses may change at the sole discretion of the ETF issuer.

The costs associated with Credit Builder Plus Loans (including interest on such loans in the form of APR) are not included in the Administrative Fee or any membership fees, and will result in additional compensation to MLW's affiliates in the form of interest payments from clients. Please refer to Item 10 below for important disclosures around the conflicts of interest associated with offering clients the Credit Builder Plus Loan.

MLW clients are currently subject to a fee of \$0.25 per withdrawal, charged by the independent broker-dealer. Neither MLW nor any entity under common control with MLW shares in the withdrawal fee, which is retained solely by the independent broker-dealer.



To the extent applicable, Plus program members' deposits will move first into a house account at the broker-dealer held in MLW's name (the "House Account") for the benefit of its clients, before such deposits are allocated to client sub-accounts. Deposits moving first into the House Account are usually transferred to clients' sub-accounts within one business day, but on rare occasions may be held in the House Account for as long as five business days. All other deposits will move directly from clients' third-party accounts to their personal investment accounts.

### **C. Refund, Termination, and Withdrawal Policy**

In the event of account termination or withdrawal, unless otherwise directed by the client, MLW may sell the securities in the client account (or portion of the account, in the case of a partial withdrawal or update) at market prices at the time of the termination, withdrawal or update. Since there are no advisory fees charged for the management of client accounts invested through MLW's automated investment services, no advisory fees are refunded or charged on a pro-rata basis after termination of a client account. Clients will be charged the Administrative Fee upon termination of their accounts. Currently, MLW clients that withdraw money will be charged a fee by the independent broker-dealer as described above in Item 5B.

Specific termination and withdrawal restrictions are as follows:

#### MoneyLion Core

- MoneyLion Core members may terminate their investment advisory relationships with MLW at any time without penalty.

#### Credit Builder Plus

- Once MLW clients have been Plus program members for at least thirty (30) days, those clients may terminate their advisory agreements without penalty by providing notice to MLW, so long as such clients have not pledged the cash or securities in their investment and Credit Reserve accounts as collateral for an outstanding Credit Builder Plus Loan originated by a Lender. In the event of termination, those Plus program clients will receive the value of all remaining securities in their investment accounts (including the \$5 required minimum securities account balance as described below).
- Plus program members must maintain an aggregate dollar value in their investment accounts of at least \$5, although such members may make initial deposits of less than that amount. Withdrawals that leave Plus clients' accounts with less than \$5 in value will not be permitted. The remaining \$5 account balance will be provided to Plus program clients upon termination.
- If a Plus program client has pledged securities in their investment and Credit Reserve accounts as collateral for a Credit Builder Plus Loan originated by a Lender, that client may not terminate the advisory agreement and may withdraw only those funds that exceed the balance of the outstanding loan obligation, so long as the remaining balance exceeds \$5.
- If MLW clients have defaulted on loans they have taken from non-MLW, non-investment adviser affiliated entities, such entities may direct the independent broker to liquidate

the client account up to the amount of the client indebtedness and may direct MLW to terminate the client investment advisory account.

**D. Prepaid Fees**

MLW receives no prepaid fees, since it collects no fees and since it only charges the Administrative Fee in arrears.

**E. Other Compensation**

Neither MLW nor any of its supervised persons accepts compensation for the purchase or sale of securities, or for other investment products.

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

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Neither MLW nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## **Item 7      Types of Clients**

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MLW manages investment programs for individuals.

The minimum amount needed to open an investment account is \$0. Requirements for opening and maintaining MLW accounts—currently available only to members of the Plus and Core programs—are described in detail in Items 4B and 5C.

At its election ML Plus, LLC may initially fund a new account with \$10 as an incentive for individuals to join the Plus or Core programs.

Investors evaluating MLW's service should be aware that MLW's relationship with clients is likely to be different from the "traditional" investment adviser relationship in several aspects:

- MLW is a software-based financial adviser, which means each client acknowledges its ability and willingness to conduct a relationship with MLW on an electronic basis and to receive all documentation related to the advisory services on an electronic basis. MLW does not make individual representatives available to discuss servicing matters with clients.
- MLW will now provide its advisory services by utilizing the questionnaire clients fill out when opening advisory accounts. MLW will remind clients on at least a yearly basis that they are able to update their responses to the risk questionnaire, and MLW clients will be able to utilize the risk slider to modify their portfolio allocation strategies at any time. From time to time, MLW may request that clients answer questionnaires seeking additional information on those clients' investment profiles. Neither MLW nor any of its employees or representatives meet with clients face-to-face
- MLW's service utilizes a series of pre-selected ETFs, and MLW does not allow clients to select their own ETFs. However, as noted above, clients may use the risk slider to modify their portfolio allocation strategy.
- Clients may not place orders to purchase or sell securities on a self-directed basis on the MLW platform.

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

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### **A. Methods of Analysis**

MLW will invest client assets in accordance with the Personalized Allocation Strategy described in Item 4B, pursuant to which client funds will be allocated into personalized ETF model portfolios that will reflect the clients' stated risk tolerances. MLW leverages a research partner, Wilshire Associates, Inc. ("Wilshire"), that provides consulting services with respect to the development and maintenance of risk-based asset allocation models and ETF selection. MLW reviews the models and securities suggested by Wilshire and makes final determination with respect to potential implementation. MLW's selection of portfolios will be based on client responses to a risk questionnaire and, although MLW will gather additional information as part of the membership application process, the Personalized Allocation Strategy is currently based solely on stated risk tolerance. MLW will provide detail to clients with respect to the allocation of securities in the ETF portfolio MLW has recommended.

Investing in securities involves a risk of loss that MLW clients should be prepared to bear. MLW, its partners, and its analytical investment tools rely on the ability to assess risk, and may fail to anticipate significant changes in the behavior of financial markets. In addition, the asset allocation models are based on a long-term view of asset class returns and correlations, and those asset allocations models are reviewed quarterly. As a result, MLW will not make short-term (or tactical) changes to the asset allocation reflected in Personalized Allocation Strategy based on short-term changes in the behavior of financial markets. Such changes in market conditions could be the result of a variety of unpredictable factors, including major geopolitical events, changes in the financial system induced by failure of one or many large market participants, or unexpected changes in real economy due to influence of global market demand and supply factors, to name a few. While MLW's investment strategies represent an attempt to balance client portfolios with respect to such risks, such balance may not be achieved, potentially leading to inadequate performance of MLW's risk models and portfolio construction methodologies.

Subsequent to the initial allocation of securities in a client account, all client portfolios are generally reviewed at least monthly to determine if they should be rebalanced based on internal portfolio management parameters, and all client portfolios are also reviewed at any time when the cash in such portfolios reaches a certain predetermined level.

### **B. Investment Strategies**

**Personalized Allocation Strategy:** MLW will employ a Personalized Allocation Strategy, pursuant to which MLW will seek to achieve an appropriate portfolio allocation utilizing ETFs which conform with the clients' individual risk profiles as determined from the account-opening questionnaire that each client completes. Clients with similar risk profiles will generally have similar allocations to the available asset classes which MLW recommends. Stated risk tolerance is the sole input that is currently considered, though in the future inputs may also include, but may not necessarily be limited to, clients' ages, current financial conditions, financial resources, expenses, liquidity, account balances, financial goals, and

investment time horizon. From time to time, MLW may request that clients answer questions seeking additional information on those clients' investment profiles. MLW will remind clients at least annually to update their responses to the questionnaires or to adjust their portfolio allocations via the risk slider to reflect any material changes in financial circumstance

### **C. Material Risks of Methods of Analysis and Investment Strategies**

#### ***Investing in securities involves risk of loss that clients need to be prepared to bear***

Every method of analysis has its own inherent risks, including the one employed by MLW. MLW cannot guarantee any level of performance or that any client will avoid a loss of account assets.

MLW has no control over the dissemination rate of market information; therefore, unbeknownst to MLW, certain analyses may be compiled with outdated market information, severely limiting the value of MLW's analysis. Furthermore, an accurate market analysis can only forecast a range of possible market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MLW) will be profitable or that they will meet any specific performance level(s). MLW does not represent, warrant, or imply that the services or methods of analysis employed by MLW can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines

All investment programs have certain risks that are borne by the client, and MLW's investment approach constantly keeps these risks in mind. However, MLW clients face the following investment risks, among others:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and/or intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions represent potential market risk triggers.
- **Advisory Risk:** There is no guarantee that MLW's judgment or investment decisions about particular securities will necessarily produce the intended results. It is possible that clients, or MLW itself, may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to MLW's web or mobile-based application. MLW and its representatives are not responsible to any client for losses unless caused by MLW breaching its fiduciary duty.

- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities and to ETF securities that have exposure to fixed income.
- **Limited Nature of the Service:** MLW's recommendation of a Personalized Allocation Strategy is currently based solely on stated risk tolerance. This service is not intended to be a complete investment program; does not account for multiple investment goals; does not consider outside assets, concentration, debt or other accounts a client may have with financial institutions; and is not suitable for all investors. In addition, the universe of investment products offered through the service is currently limited to broad market index-based ETFs. Clients should consider these limitations in evaluating the investment advice and recommendations provided through the service.
- **Liquidity and Valuation Risk:** High volatility and/or the lack of deep and active liquid markets for a security may prevent a client from selling his or her securities at all, or at an advantageous time or price because MLW's executing broker-dealer may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. While MLW values the securities held in client accounts based on reasonably available exchange traded security data, MLW may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a client to MLW.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value, and if such events occur on large scale, they may affect even the broad market indexes and related passive investments.
- **ETF Risk:** Investing in ETFs does not guarantee a return on investment, and shareholders of an ETF may lose the principal that they've invested into a particular ETF. ETFs invest into underlying securities that comprise the ETF, and as such clients are exposed to the risks arising from such underlying securities. ETFs charge internal expenses to their shareholders, and such internal expenses subtract from their potential for market appreciation. Shares of an ETF may be traded like stocks on the open market and are not redeemable at a net asset value. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between what a buyer is willing to pay (bid) for an ETF and the seller's offering (ask) price). ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the

securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison.

- **Foreign Investment Risk:** ETFs which invest in foreign issuers may involve risks including, but not limited to, adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, or reduced legal protections. These risks may be more pronounced for investments in developing countries. With respect to currency risk, overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Software Risk:** MLW delivers its financial adviser services entirely through software. Consequently, MLW's software-developing affiliates and/or vendors rigorously design, develop and test software extensively before putting such software into production with actual client accounts and assets, and periodically monitor the behaviors of such software after deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform as intended or as disclosed on the website or mobile-phone application, blogs or other MLW disclosure documents, especially in certain combinations of unusual circumstances. MLW strives to monitor, detect and correct any software that does not perform as expected or as disclosed.
- **Client Assets as Collateral Risk:** Clients electing to borrow money via a Credit Builder Plus Loan are required to collateralize such loans with the securities and cash held in their investment account, and with the assets held in the Credit Reserve Account. There are risks associated with pledging client assets as collateral for a Credit Builder Plus Loan. Lenders have a lien on the cash and securities held in client's investment account and Credit Reserve Account, which supersedes the discretionary authority granted to MLW. Lenders will act to protect their own commercial interests and, in the event the loan becomes delinquent, will take actions that may be inconsistent with the fiduciary duties owed to clients by MLW. In the event that a client has become delinquent on a Credit Builder Plus Loan, the liquidation or transfer of cash or securities may negatively affect Clients' ability to attain their investment goals. Clients should carefully review the terms, conditions, and related disclosures of the Loan Agreement and Securities Accounts Control Agreement, and should understand that such risks will be heightened in the event that the pledged assets in their accounts make up all, or substantially all, of their investment assets.

While this information provides a synopsis of the events that may affect the investments MLW makes on behalf of its clients, this listing is not exhaustive.



## **Item 9      Disciplinary Information**

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Like all registered investment advisers, MLW is obligated to disclose any disciplinary event that might be material to any client when evaluating MLW's services.

Neither MLW nor any of its supervised persons has ever been subject to legal or disciplinary events that would be material to a client's or prospective client's evaluation of MLW's advisory business or the integrity of MLW's management.

## **Item 10     Other Financial Industry Activities and Affiliations**

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- A. An affiliate of MLW, MoneyLion Securities LLC (“MLS”), received approval from FINRA on June 17, 2019 to operate as a FINRA-registered broker-dealer. MLW management persons registered as representatives of MLS include Jon Stevenson, Michael Doniger, David Schechter, and David Tarrio.
- B. Neither MLW nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. MLW is wholly-owned by MoneyLion, Inc., a New York based financial services company. There are no shareholders who own 25% or more of MoneyLion, Inc on a fully diluted basis. MoneyLion, Inc. and its other non-investment adviser business affiliates receive compensation directly or indirectly from the Plus and Core Programs’ business and/or advertising relationships, which may include membership fees, loan payments, special purpose vehicle private fund structure fees, or compensation received from affiliate business services.
- C. Clients should understand that MLW has a conflict of interest insofar as certain of MoneyLion Inc.’s subsidiaries offer Credit Builder Plus Loans to Plus program clients whose MLW-managed investment accounts secure the repayment of those loans. If clients obtain a Credit Builder Plus Loan from one of MLW’s affiliated Lenders, MLW affiliates will receive additional compensation in the form of interest rate payments from Clients on such loans, which may be similar to, or more expensive than, loans offered by unaffiliated Lenders. This additional compensation, as well as Lender’s lien on MLW-managed investment account assets, will result in a conflict of interest between MLW and its clients and in conflicting incentives in the management of Client’s Plus program account.

In order to secure Credit Builder Plus Loans, Lenders hold a lien on the collateral held in Clients’ MLW-managed investment accounts, which supersedes the discretionary authority granted to MLW. This lien creates conflicts of interest with respect to the management of MLW-managed investment accounts. Lenders will act to protect their commercial interests, and in the event of a default on the terms of the Credit Builder Plus Loan, have the authority to take action that adversely affects Clients by instructing DriveWealth to liquidate or transfer the cash or securities in a Client’s investment and Credit Reserve accounts. Such actions will have an impact on the ability of Clients to meet their investment goals. MLW addresses these conflicts of interest through its disclosure in this Brochure, and through disclosure in the terms and conditions governing the loan agreement from Lender. However, MLW’s investment recommendations ignore whether Client has obtained a Credit Builder Plus Loan.

- D. MLW is under common control with ML Plus, described in detail above in Item 4.

## **Item 11      Code of Ethics, Participation in Client Transactions and Personal Trading**

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- A. MLW's ethical and legal duty is to act at all times as a fiduciary to its clients. This means that MLW puts the interests of its clients *ahead of its own*, and seeks to manage any perceived or actual conflict of interest that may arise in relation to its advisory services. MLW has adopted a Code of Ethics ("COE"), which is designed to ensure that it meets its fiduciary obligation to clients, enhances its culture of compliance within the firm, and detects and prevents any violations of securities laws. MLW's COE establishes standards of conduct for MLW's officers and employees ("Supervised Persons" as defined in the COE) and is consistent with the Code of Ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The COE includes general requirements that all Supervised Persons comply with their fiduciary obligations to clients and applicable securities laws, and also contains specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information. MLW's COE will be provided to any client or prospective client upon request.
- B. Neither MLW nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which MLW or any of its related persons has a material financial interest.
- C. MLW will not invest in the same ETFs (or related securities such as warrants, options or futures) that MLW or a related person recommends to clients. Some related persons of MLW or one of its affiliates may be Plus or Core program members and may therefore be invested in the same ETFs as MLW clients, though such related persons receive no preferential treatment with respect to trading strategy, timing, order management, or execution. Transactions are effected for all client accounts in a block trade at an average price, including client accounts which are related person accounts. In all instances MLW will act in the best interests of its clients.
- D. MLW will not buy or sell securities for client accounts at or about the same time that MLW buys or sells the same securities for its own account. With the exception of the related person investment advisory accounts traded in block trades with client accounts described above in Item 11C, related persons will not buy or sell securities for client accounts at or about the same time that those related persons buy or sell the same securities for their own accounts.
- E. Clients and prospective clients may receive a copy of MLW's Code of Ethics upon request.

## **Item 12      Brokerage Practices**

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Under the terms of the investment advisory agreement, clients authorize and instruct MLW to direct brokerage transactions for client assets to DriveWealth, a FINRA registered broker-dealer and member of SIPC, which provides trade execution and clearing services in addition to traditional brokerage and custody services. DriveWealth custodies omnibus with Electronic Transaction Clearing, Inc. (“ETC Clearing”). Order routing is accomplished using a third-party technology platform, Wealth Technologies, Inc., a technological service provider that transmits orders to DriveWealth at MLW’s direction.

MLW executes trades through DriveWealth in recognition of the value of the brokerage and other services that DriveWealth provides, both directly and through DriveWealth’s clearing agreement with ETC Clearing. The factors that MLW considers in designating DriveWealth as approved broker include, but are not limited to: execution capability and available liquidity; timing and size of particular orders; commission rates; responsiveness; trading experience; reputation, integrity and fairness in resolving disputes; quality of application programming interfaces and technology; and other factors. Clients should understand that not all investment advisers recommend, request, or require their clients to direct brokerage. However, the direction to trade through DriveWealth is part of the overall structure of the MoneyLion Plus and MoneyLion Core memberships because DriveWealth provides access to certain capabilities such as the ability to trade fractional shares and facilitate the dollar cash back feature that are integral to the advisory services MLW provides.

MLW also believes that the direction to trade through DriveWealth is reasonable in light of the fact that clients do not pay brokerage execution fees in connection with their relationship to MLW. Brokerage and execution fees are negotiated and paid by MLW. In addition, access to MLW’s professional portfolio management and the associated trading is just one component of a broader membership program designed to enhance clients’ credit, financial well-being and financial literacy. As a result, a client’s decision to participate in MoneyLion’s product offerings should be based on the overall services provided under the membership program and the potential impact on the client’s financial well-being. Clients acknowledge that the selection of a particular broker-dealer and the amount of the corresponding execution costs are not material to the value they seek to obtain from MLW’s offering.

MLW will monitor the execution quality provided by DriveWealth and will periodically reevaluate the quality and cost of DriveWealth’s brokerage services in accordance with MLW’s overall responsibilities for accounts over which it has investment discretion, but it will not select broker-dealers or evaluate best execution in terms of any particular transaction. Instead, all trades will be placed with DriveWealth. By directing brokerage through DriveWealth, MLW will not always be able to obtain the most favorable execution for client transactions and it is possible that clients will pay higher transaction costs or receive less favorable net prices as a result of the decision to direct brokerage to DriveWealth. It is possible that the prices, commissions, other execution costs, and transaction charges for trades directed through DriveWealth will not be as favorable as those that would be obtained if trades were placed through another broker-dealer. However, as noted above, clients do not pay

brokerage execution costs associated with transactions in their accounts. Brokerage and execution fees are negotiated and paid by MLW. As a result, MLW has an incentive to negotiate favorable brokerage execution costs that will permit MoneyLion to continue to offer its clients a competitively priced service.

As of the date of this Brochure MLW does not engage in any “soft dollar” practices involving the receipt of research or other brokerage services in relation to client commission money, nor does MLW receive any research or other products in connection with client transactions. MLW also does not use client commission money to compensate or otherwise reward any brokers for client referrals.

**Aggregation & Allocation:** When MLW determines that the purchase or sale of a particular ETF security is appropriate for more than one client account, MLW will generally (but is not required to) aggregate or combine those client orders (“Block Orders”) for execution purposes. Block Orders help to facilitate best execution and reduce market impact. Block Orders also allocate equitably among participating clients the impact of any market fluctuations that might have occurred had such orders been placed independently. Each account that participates in a Block Order will be charged or credited with the average price and, if applicable, a pro-rata share of any commissions or fees for transactions in that particular security on the same trading day. The average price may be more or less favorable than what a client would have received if the orders were not aggregated.

Although MLW generally aggregates client orders and sends them to the broker-dealer for execution on a single trading day, there may be occasions on which it is necessary to trade over multiple trading days due to unusual market activity or technological limitations. In the event that MLW executes Block Orders over multiple trading days, client allocations will be subject to a randomized selection process designed to ensure that clients are treated on a fair and equitable basis over time.

When MLW aggregates transactions, allocation of the securities so purchased or sold is made by MLW in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. MLW will follow procedures to ensure that allocations do not involve a practice of systematically disadvantaging any client or group of clients over time. Account performance is never a factor in trade allocations.

## **Item 13      Review of Accounts**

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MLW provides its clients with access to their investment program account information via the internet or via its mobile phone application. DriveWealth, LLC, the broker-dealer and qualified custodian of all client securities, is required to send account statements directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their respective addresses of record or delivered electronically. DriveWealth's account statements are also available via the MoneyLion mobile phone application at any time. Clients may also receive periodic e-mail communications regarding their accounts.

On at least an annual basis, MLW will contact each client to request that the profile information previously provided be updated, if appropriate due to changes in circumstance. Alternatively, MLW may, on at least an annual basis, remind clients that they may modify their portfolio allocation by utilizing the risk slider feature. MLW conducts reviews at least annually if material changes have occurred to a client's portfolio or investment objectives. MLW will retain the client account profile data.

## **Item 14      Client Referrals and Other Compensation**

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MLW does not charge an investment advisory fee for the MLW investment advisory services. Nobody, other than clients, provides an economic benefit to MLW for providing investment advice. MLW does not directly compensate or receive compensation from a person who is not MLW's supervised person for client referrals. MLW is not an adviser to any private funds.

MLW is a wholly owned subsidiary of MoneyLion, Inc., and is under common control with other MoneyLion, Inc. subsidiaries or affiliates. MoneyLion, Inc. and its other business affiliates (but not MLW) receive compensation from the Plus and Core programs' business relationships, which may include membership fees, loan payments, special purpose vehicle private fund structures, or compensation received from affiliate business services.

Non-investment adviser entities such as ML Plus, LLC and MoneyLion, Inc. enter into commercial agreements with various third party companies for the purpose of introducing clients to new services and offerings that may be of potential benefit to them. These non-adviser entities may earn a fee for such referrals, depending on client engagement levels with the offerings. The decision of whether to accept or implement such opportunities is at the complete discretion of the client, and such opportunities not offered by the MLW investment adviser.

## **Item 15     Custody**

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MLW does not have actual custody of client funds or securities. However, MLW may be deemed to have custody for regulatory purposes under certain circumstances. Client funds and securities are maintained at an independent qualified custodian as described in Item 12.

On a yearly basis, MLW will engage an independent accountant to conduct a surprise custody examination. When complete, the accountant will file its report in a Form ADV-E filing, publicly available on the SEC's IARD website.

Each client may receive account information by logging into its account through the MoneyLion App or website, in addition to the quarterly account statements electronically delivered by DriveWealth, LLC. Clients are urged to compare such DriveWealth account statements to the account information displayed through the MoneyLion App or website.



## **Item 16     Investment Discretion**

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MLW accepts discretionary authority to manage investment advisory accounts on behalf of clients only pursuant to the mutual written agreement of MLW and the client through a limited power-of-attorney, which is contained in the advisory agreement signed by MLW and the client.

## **Item 17     Voting Client Securities**

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MLW does not have, and will not accept, authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## **Item 18      Financial Information**

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MLW does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. There is no known financial condition that is reasonably likely to impair MLW's ability to meet its contractual commitments to clients.