

**Item 1: Cover Page**



## **Form ADV Part 2A: The Brochure**

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September 28, 2016

This brochure provides information about the qualifications and business practices of FutureAdvisor, an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Such registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at +1 (800) 975-7199 or by email at [compliance@futureadvisor.com](mailto:compliance@futureadvisor.com). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about FutureAdvisor is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment, or investment vehicle.

## **Item 2: Material Changes**

The following material changes have been made to this brochure since its last annual update on September 30, 2015:

### March 24, 2016 Interim Update

- Item 5 was revised to clarify FutureAdvisor's fees and account billing and termination processes.
- Item 8 was revised to expand the description of investment risk and the risk of loss associated with FutureAdvisor's investment strategies.
- Item 14 was revised to expand the description of other forms of compensation FutureAdvisor may receive.
- The revisions made and not otherwise noted here were non-substantive and formatting changes.

### October 30, 2015 Interim Update

- Item 4 was updated to disclose that on October 1, 2015, FutureAdvisor was acquired by BlackRock, Inc., (the "BlackRock Acquisition"). BlackRock, Inc. is a global leader in investment management, risk management, and advisory services for institutional and retail clients. As of June 30, 2015, BlackRock Inc. had approximately 12,400 employees in more than 30 countries and assets under management of \$4.721 trillion.
- Item 4 and Item 5 were updated to address changes in services offered.
- Item 4 and Item 11 have been updated to reflect that BlackRock mutual fund shares and exchange-traded funds ("ETFs") are now considered to be affiliated funds and explain how FutureAdvisor addresses the related conflicts.
- Item 8 was updated to expand on the description of investment risk.
- Item 10 and Item 11 were updated as result of FutureAdvisor's affiliation with BlackRock, Inc. and certain BlackRock, Inc. subsidiaries and to describe certain relationships and arrangements that may be deemed to be material to FutureAdvisor's business or to its clients.

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## **Item 4: Advisory Business**

FutureAdvisor, Inc. (“FutureAdvisor”) is a Delaware corporation and an investment adviser registered with and regulated by the SEC under the Advisers Act. FutureAdvisor operates an Internet-based investment advisory business under the name FutureAdvisor. FutureAdvisor has been in business since May 2010. FutureAdvisor’s sole shareholder is BlackRock, Inc. (together with its other subsidiaries, “BlackRock”). BlackRock is a global leader in investment management, risk management, and advisory services for institutional and retail clients. As used in this Part 2A, the term “the Adviser” refers to FutureAdvisor, except where the context otherwise requires.

The Adviser specializes in digital investment advisory services provided through its secure website and mobile application, and through third-party financial institutions, including banks and other investment advisers with whom the Adviser has entered into agreements to offer advisory or technological services (“Intermediaries”). The Adviser employs automated asset allocation, portfolio analysis, portfolio rebalancing, portfolio selection, and tax-loss harvesting strategies on behalf of its advisory clients and clients of Intermediaries. In general, the Adviser’s services and strategies are applied to all supported account-types linked or aggregated by a client through the Adviser’s website. The Adviser provides personalized goal-based advice and trade recommendations to each advisory client and Intermediary client based on information provided by the client during the sign up and account creation process, which process includes a series of questions including risk tolerance, age, and years to investment goal. In addition, the Adviser bases its advice to clients on the investment objectives and restrictions set forth in the applicable investment management agreement, Intermediary services agreement, and terms of use, as the case may be (each, a “Governing Document,” and collectively, the “Governing Documents”).

The Adviser offers two levels of service: (i) a non-discretionary service (the “Basic Service”) for which the Adviser receives no management fee, and (ii) a discretionary advisory service (the “Premium Service”) for which it charges a management fee as described in Item 5 below.

### **Basic Service**

The Basic Service is non-discretionary and includes analysis and educational information based on financial and other information provided by users. Basic Service users do not receive ongoing investment advisory or trading services for their accounts. The Adviser may provide the Basic Service in its entirety or in components to users. The Adviser does not charge an advisory fee for the Basic Service.

### **Premium Service**

The Adviser’s Premium Service is discretionary and includes analysis and recommendations based on financial and other information provided by the client. In addition, the Adviser provides Premium Service clients automated portfolio optimization, rebalancing, and tax loss harvesting strategies. The Adviser may provide the Premium Service in its entirety or in components to clients where the Adviser is serving as a sub-adviser or where an Intermediary has introduced such clients to the Adviser. The Adviser charges a

management fee for its Premium Service. Please see Item 5 for more information concerning fees and compensation.

The Adviser managed approximately \$969,000,000 in investment capital on a discretionary basis as of September 23, 2016.

## **Item 5: Fees and Compensation**

The Adviser does not provide Basic Service users ongoing investment advisory or trading services and does not charge users an advisory fee for its Basic Service.

The Adviser's compensation for providing the Premium Service generally includes an asset-based fee (a "Management Fee"), the terms of which are set forth in the applicable Governing Document. The Management Fee is generally paid monthly or quarterly in advance based on net assets under management as of the beginning of the relevant month or quarter, respectively. The Management Fee is generally no greater than 0.50% of assets under management. The Adviser may, in its sole discretion, change its Management Fee or charge fees that differ from its standard Management Fee. From time to time, the Adviser will offer promotions in the form of Management Fee waivers where new or existing Premium Service clients can receive some de minimis reward or reduced Management Fee for a period of time. Such promotions may run indefinitely or for a limited period of time. The Adviser may, in its sole discretion, revise the frequency of Management Fee payment intervals from those that apply at the time a client subscribes to the Premium Service. The Adviser reserves the right, in its sole discretion, and to the extent required by applicable law, to waive or offset fees for clients.

Investment by a client of the Adviser in an affiliated product may mean that BlackRock, Inc. may receive directly or indirectly advisory fees and other compensation from the affiliated product that are in addition to the fees it will receive from the Adviser's client.

With respect to clients subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), the Adviser may offset the Management Fee that it receives with respect to such clients in an amount that reflects at least the compensation that BlackRock Affiliates receive from U.S. iShares ETFs or other BlackRock Affiliated registered investment companies in which an client's ERISA account is invested, or will comply with an exemption from the prohibited transaction rules in ERISA or the Section 4975 of the Code. The Adviser may also, in its sole discretion, waive or offset fees for clients not subject to ERISA or Section 4975 of the Code.

Each Premium Service client will incur brokerage costs and may incur other costs pursuant to the terms of their custodial and brokerage agreements in connection with the Premium Service. In addition, Premium Service clients may be charged "transfer out" fees by other brokers when transferring their accounts from such brokers to their Premium Service broker. The Adviser is not involved in any way with the establishment of a Premium Account broker's fee structures and receives no remuneration from any

Premium Account broker or from brokers who may charge the Adviser's Premium Service clients exit or "transfer out" fees. Please see Item 12 for a further discussion of the Adviser's brokerage practices.

The Adviser may terminate a user's access to the Basic Service or a client's access the Premium Service if it believes the user or client is in breach of the Adviser's Governing Documents or other agreements with the user or client. The Adviser may also terminate a user's or client's access to the Basic Service or the Premium Service in the Adviser's sole discretion and without cause. If the Adviser or a client terminates access to the Premium Service, the Adviser will remit a pro-rated refund for the unused portion of the Management Fee to each client whose access to the Premium Service is terminated. For terminations that occur intra-month, the amount of the pro-rated refund will be rounded to the end of the month in which termination occurs such that a client will receive a refund of a full month in these situations.

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

The Adviser does not charge performance-based advisory fees. The Adviser has no arrangements by which separate types of accounts are managed on a side-by-side management basis.

## **Item 7: Types of Clients**

The Adviser offers its advisory services to individuals and their related individual retirement accounts who are U.S. residents and maintain one or more accounts at a broker-dealer custodian.

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

### **Methods of Analysis and Investment Strategies**

The Adviser utilizes proprietary, automated, computer algorithms which are designed to minimize costs and expenses associated with investing and achieving certain diversification requirements and requirements under its Governing Documents. The Adviser employs a variety of methods and strategies to make investment decisions and recommendations. The Adviser primarily offers investment advice on the following types of securities or securities-linked investments: equities, emerging markets, fixed income, and real estate, the exposure of which is obtained through investments and trading in ETFs, exchange traded notes ("ETNs"), mutual fund shares, and securities issued by real estate investment trusts ("REITs"). The Firm may also invest in various other exchange-traded instruments pursuant to an investment sub-advisory agreement or other Intermediary agreement.

The Adviser's main sources of information for client account recommendations and transactions include data about mutual funds and ETFs provided by third party data vendors.

The Adviser's investment strategies are primarily based on the following principles and strategies: (i) equities, as an asset class, generally have a high probability of outperforming other broadly accessible and liquid asset classes over a 10-year period; (ii) adjusted for fees, low cost passive approaches, implemented using low-cost index-based ETFs, generally outperform higher cost (*i.e.*, non-index based) active funds;

(iii) a bias towards value, implemented through value, small capitalization, and emerging markets stocks, generally has a higher probability of improving returns over the long-term; and (iv) a rules-based approach, using algorithms, to improving tax efficiency in buy/sell/hold decisions, generally can improve after-tax returns through the reduction and deferral of taxes.

The Adviser employs the following portfolio risk management strategies: (a) international diversification through low-cost ETFs to lower the volatility of returns; (b) using fixed income assets to hedge against equity drawdown (losses); and (c) using REITs to help manage inflation risk and minimally impact returns given the equity composition or REITs.

The Basic Service and the Premium Service are not designed for users or clients with an investment horizon of less than two years.

In certain Intermediary relationships, including sub-advisory relationships, the Adviser may implement or employ the investment models, asset allocation, asset classes, list of eligible securities, and model parameters provided by the Intermediary.

### **General Risk Factors**

The operating results, financial condition, activities, and prospects of an investment by the Adviser on behalf of clients could be materially adversely affected by changes or instability in market, economic, political, technological, regulatory, and social conditions, and by numerous other factors outside the control of the Adviser.

In addition, the Adviser's investment strategies and/or investments are likely to be exposed to risks relating to weaknesses in various global economies and risks relating to the economic cycle. Numerous factors affecting the performance of the Adviser's investment strategies, such as market volatility, interest rates, commodity prices, equity prices, currency prices, credit spreads, and deflationary and inflationary pressures, may be affected by the economic cycle and long-term economic trends. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration, and impact of any market or economic conditions could have a materially adverse effect on the Adviser's investment strategies.

The Adviser may choose not to attempt to, or be unable to, hedge the risk exposures outlined in this brochure, and there can be no assurance that any hedging attempted by the Adviser would reduce applicable risks.

In recent years, disruptions in the global financial markets, the scope and severity of which are without precedent in recent financial history, have had materially adverse, and in certain cases catastrophic, consequences for the values, liquidity, and stability of certain types of investments, including the types of investments the Adviser's clients may pursue. Similar or dissimilar disruptions may occur in the future, and the duration, severity, and ultimate effect of such disruptions are difficult to forecast. These

disruptions may lead to additional regulations or laws, which could have a material adverse effect on the Adviser and its clients.

The models and techniques expected to be deployed by the Adviser are based on the information and data available to it as well as on its assumptions, assessments, and estimates, all of which are subject to error. As a result, such models and techniques may not account for all relevant factors or may not account for any such factors correctly. More generally, there can be no assurance that such models and techniques would be effective.

With respect to both its Basic Service and Premium Service, the Adviser does not make any assurance that its recommendations will result in profitable investing or avoidance of loss. Investing in securities involves risk of loss that clients should understand and be prepared to bear. The Adviser makes no guarantee or representation that its investment recommendations will be successful. Investment performance can never be predicted or guaranteed and the value of each client's account will fluctuate due to market conditions and other factors. Past performance is no guarantee of future results.

### **General Factors; Reliance on Client Information**

For the Basic Service, the recommendations provided by the Adviser are not intended to comprise any user's complete investment program because the Adviser is not necessarily aware of the user's aggregate investible and invested assets and does not manage the client's accounts and assets on a discretionary basis. For the Premium Service, the recommendations provided by the Adviser are not intended to comprise the client's complete investment program in cases where the Adviser is not permitted or enabled to manage the client's investible and invested assets held in employer retirements plans, which are subject to ERISA, or other accounts that the client has not aggregated for the Adviser's discretionary advisory services.

The Adviser's recommendations are highly reliant on the accuracy of the information provided to the Adviser by its clients. If a client were to provide the Adviser with inaccurate information, this could materially impact the quality and applicability of the Adviser's recommendations. In addition, the Adviser's recommendations are limited in scope to the questions the Adviser asks through the Adviser's website and the information that clients provide to the Adviser. There may be additional information or other financial circumstances not considered by the Adviser based on the questions asked at the time a client establishes their investment goals that would inform the investment advice and recommendations provided by the Adviser. Clients are invited to call a licensed financial counselor to discuss any such additional information or other financial circumstances that a client believes may be relevant to the advice provided by the Adviser.



## **Commodity Securities Risk**

The Adviser may recommend or invest client assets in funds that invest in commodities linked securities (*i.e.*, commodity-based ETFs and ETNs). Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value and/or liquidity of commodity-linked investments may be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (*e.g.*, drought, flooding), livestock disease, embargoes, international trade, tariffs and international economic, political and regulatory developments. The prices of sector commodities (*e.g.*, energy, metals, agriculture and livestock) may fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

## **Currency Risk**

Certain segments of the strategies deployed by the Adviser may maintain material unhedged exposure, whether intentional or unintentional, to various market movements, and other sources of risk, whether known or unknown. Currency risk is implicit in the Adviser's exposure to, without limitation, foreign bonds, foreign real estate, and foreign equity investments. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads, and equity and other markets, as well as correlations between any such risks. There can be no assurance that an investment of a portfolio managed by the Adviser would improve the risk/return profile of any client's or investor's overall portfolio or otherwise improve the performance of such portfolio, and such an investment may in fact result in material losses.

## **Cyber Security Risk**

With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

## **Debt Market Conditions**

The Adviser may recommend or invest client assets in funds that, in turn, invest in fixed-rate securities of varying maturities, including bonds or debentures issued by corporations, government agencies, and

government-sponsored entities. In recent years, disruptions in debt markets have affected the price of, as well as clients' ability to make, certain types of investments, and there can be no assurance that these disruptions will not reoccur in the future. Any such disruptions may negatively affect a wide range of issuers and may increase the likelihood that such issuers will be unable to make principal and interest payments on, or refinance, outstanding debt when due. Moreover, the risk that such disruptions will affect an issuer's ability to pay its debts and obligations when due is enhanced if such issuer in turn provides credit to third parties or otherwise participates in the credit markets. In the event of a default by an issuer, the Adviser's clients could lose both capital invested in, and anticipated profits from, any affected investment. The reoccurrence of the events described in this paragraph, or other similar or dissimilar events, could have an adverse impact on the availability of credit to businesses generally and may lead to an overall weakening of the U.S. and other economies around the world. In addition, any disruptions of this kind may affect a client's ability to procure its own financing arrangements and/or the terms of any such arrangements.

### **Developed Countries Risk**

The Adviser may recommend or invest client assets in funds that to track the investment results of indices composed of developed market equities. Investment in developed countries may subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed countries. Developed countries may be impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

### **Equity Securities Risk**

The Adviser may recommend or invest client assets in funds that, in turn, track the returns of broad-based equity indices. Equity securities are subject to changes in value and their values may be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer's securities are subject to market risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and may do so again in the future.

The Adviser may invest in certain mutual funds and exchange-traded products ("ETPs"), including, but not limited to, registered investment companies such as ETFs. Investments in an ETP are subject to the fees and expenses of the ETP, which may include a management fee, other fund expenses and a distribution fee. The Investment Company Act of 1940, as amended, places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company. A client's positions in ETPs are subject to a number of risks associated with the management and market conditions of the ETP. These include (but are not limited to): (i) *Delisting*—An ETP may be delisted and liquidated at the discretion of its issuer. Should a client of the Adviser hold a position in an ETP when it is

delisted, such client may be subject to costs associated with the ETP's liquidation, counterparty risk against the issuer, and additional taxes due to cash distributions from the liquidation. (ii) *Market Maker Instability*—The supply and demand of ETP shares are kept in balance by its authorized participants. The authorized participants of an ETP may, purposefully or by mistake, destabilize the supply-demand balance of an ETP, causing tracking error of the ETP to its constituent instruments that may negatively affect the value of an entity's position in the ETP. (iii) *Hidden Illiquidity*—The liquidity of an ETP is determined not only by the ETP's own market liquidity but how easy or difficult it is to transact in the ETP's constituent instruments. If one or more of an ETP's constituent instruments becomes difficult to buy or sell, the ETP may become difficult to transact or experience tracking error that negatively affects the value of positions held in the ETP. Trading volume and liquidity may vary and may affect the ability to buy or sell ETP shares or cause the market price of ETP shares to experience significant premiums or discounts relative to value of the assets underlying the shares.

### **Fixed Income Securities**

The Adviser may recommend or invest client assets in ETFs that, in turn, invest in fixed income investments that are subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, the market value of such instruments tends to decrease. Conversely, as interest rates fall, the market value of such instruments tends to increase. This risk will typically be greater for instruments based on longer-term interest rates than for instruments based on shorter-term interest rates.

### **Emerging Market Fixed Income Securities**

The Adviser may also recommend or invest client assets in emerging market fixed income securities. Evaluating credit risk for non-U.S. fixed income securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with such emerging market instruments, the yields or prices of such fixed income securities may tend to fluctuate more than those for higher-rated fixed income securities.

### **Income Risk**

A portfolio's income may decline when interest rates decrease. During periods of falling interest rates an issuer may be able to repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

### **Interest Rate Risks**

The Adviser's investments on behalf of clients and methods may be subject to interest rate risk in connection with its investments in debt securities. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to

decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Interest rate risks may include the directional movement in interest rates, correlation of rates, volatilities of interest rates.

### **International Investments, including Emerging Markets**

The Adviser may recommend or invest client assets in funds that, in turn, invest in markets and/or issuers domiciled or operating outside the U.S., including in certain developing or emerging markets.

International investing and trading involve special risks not typically associated with trading in investments relating to markets and/or issuers solely in the U.S. Depending on the particular countries and investments involved and on the nature of the particular transactions executed outside of the U.S., these special risks may include changes in exchange rates and exchange control regulations; downgrades in sovereign credit ratings; devaluations or non-convertibility of non-U.S. currencies; failures or disruptions in central banks, banking systems, markets, or financial exchanges; changes in monetary policies, interest rates, or interest-rate policies; political, social, and economic instability; adverse diplomatic developments; investment and repatriation restrictions; the nationalization and/or expropriation of assets; government intervention in the private sector; default by public and private issuers on their financial obligations (and limited recourse in connection with such defaults); the imposition of non-U.S. taxes; discrimination against foreign investors; and less liquid markets, less information, higher transaction costs, less information regarding legal and regulatory risks, less uniform accounting and auditing standards, greater price volatility, less reliable clearance and settlement procedures, and/or less government supervision of exchanges, brokers, market intermediaries, issuers, and other markets and market participants than is generally the case in the U.S.

Further, individual non-U.S. economies may differ favorably or unfavorably from the U.S. economy in various respects, such as pace of economic growth, rate of inflation, amount of capital reinvestment, degree of resource self-sufficiency, and balance of payments position. For example, inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which the Adviser may invest, and may therefore have a material adverse effect on the Adviser's investment methods.

The foregoing risks are likely to be more pronounced in connection with investments in countries with developing or emerging markets.

### **Market Risk**

The Adviser's investments on behalf of clients and methods will be subject to market risk. Generally, the market value of the instruments in which a portfolio invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

## **Real Estate Securities Risk**

The Adviser may recommend or invest client assets in REITs and other real estate related securities or indices that are subject to the risks incident to the ownership and operation of real estate generally. Some of the risks associated with investments in real estate and/or related derivatives are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.

## **Limited Diversification; Correlation**

The portfolios of the Adviser's clients may be concentrated in particular countries, industries, exchanges, strategies, types of investments, issuers, companies, or other shared characteristics. Any such concentration would magnify risks associated with the investments held in such portfolios, including the risk of significant losses. In general, less diversification will tend to expose the applicable client to greater volatility and/or risk than would be the case with a more broadly diversified portfolio. Even if a particular client's portfolio were diversified, however, there can be no assurance that such diversification would reduce volatility or risk.

Portfolios managed by the Adviser may achieve returns that are not correlated with various market indices or the returns of other investment vehicles. Further, it is anticipated that certain investments made by the Adviser will experience returns that individually or in the aggregate are correlated (possibly highly) with various market indices or other strategies, including various equity, debt, or other markets around the world.

Moreover, certain of the strategies deployed by the Adviser may maintain unhedged exposure, whether intentional or unintentional, to various market movements, style factors, and other sources of risk, whether known or unknown, while other strategies deployed on behalf of a client may have such unhedged exposures from time to time. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads, and equity and other markets, as well as correlations between any such risks. There can be no assurance that an investment of a portfolio managed by the Adviser would improve the risk/return profile of any client's or investor's overall portfolio or otherwise improve the performance of such portfolio, and such an investment may in fact result in material losses.

## **Operational Risk**

A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

## **Reliance on Data**

The Adviser's methods are highly reliant on data from third-party and other external sources. The Adviser will use its discretion to determine what data to gather with respect to any strategy or method, which may have an impact on trading decisions. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, not all desired and/or relevant data will be available to, or processed by, the Adviser at all times. There is no guarantee that any specific data or type of data will be utilized in generating or making trading decisions on behalf of the clients, nor is there any guarantee that the data actually utilized in making investment and trading decisions on behalf of clients will be (i) the most accurate data available or (ii) free of errors.

## **Reliance on Technology; Back-up Measures**

The Adviser's investment activities and investment strategies are dependent upon various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties such as data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities of the Adviser on behalf of its clients, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related "system crash," unauthorized system access or use (such as "hacking"), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunications systems or operations could have a material adverse effect on the Adviser's clients, including by preventing the Adviser from trading, modifying, liquidating, and/or monitoring its clients' investments.

The Adviser maintains back-up electronic books and records at a third party disaster recovery site, which is a fully operational data center facility. In the case of events that interrupt the Adviser's computer and/or telecommunications systems or operations, the Adviser hopes to resume trading, modifying, liquidating, and/or monitoring its clients' investments relatively promptly, subject to any circumstances that are outside the control of the Adviser. In the case of severe business disruptions (*e.g.*, regional power outage or loss of personnel), the Adviser may not resume such activities for one or more business days because (among other things) such resumption is dependent on other critical business constituents, such as brokers and exchanges, and on the nature of the disruption. Although the foregoing reflects the Adviser's objectives, designs, and/or plans, no assurance can be given that these objectives, designs,

and/or plans will be realized, or that, in particular, the Adviser would be able to resume operations following a business disruption.

### **Order Execution Risk (Premium Service Clients)**

The Adviser is authorized by each Premium Service client to execute transactions on such client's behalf. The Adviser executes securities transactions as soon as reasonably practical after generating each trade recommendation. However, for numerous reasons there could be material delays in the amount of time it takes the Adviser, or the relevant executing broker, to execute each transaction. Any delays in the Adviser's executing transactions could reduce, perhaps materially, any profit earned by such clients or could cause a material loss.

The Adviser generally executes transactions by placing "market orders". A "market order" is an order to buy or sell an investment immediately at the best available current price. Because market orders are executed immediately (as opposed to an order that specifies a target price at which the security should be bought or sold and remains open for a longer period of time, during which the price of the security may or may not hit the target price) market orders bear inherent risks, particularly in times of high volatility and for investments that are thinly traded. This could result in the Adviser's clients paying a higher purchase price or receiving a lower sale price when the Adviser places market orders on the client's behalf. It could also result in higher execution fees charged by the brokers handling these transactions. The Adviser may, at its discretion use other order types and conditions (*e.g.*, time-in-force), as appropriate, to achieve best execution.

### **Regulatory Change Risk**

It is possible that changes in applicable laws and regulations may affect the Adviser's operations. In addition, a number of substantial regulatory changes are pending or in the process of changing in certain markets. However, the consequences of additional regulation on the liquidity and the functioning of the markets in which the Adviser trades cannot be predicted and may materially diminish the profitability of client investments.

### **Tax Risk**

With respect to Premium Services, the Adviser's methods for achieving tax efficient asset placement are only one of many methods that may comprise an individual's tax management plan. Clients should obtain tax advice, which advice is outside the scope of the services the Adviser provides, and may be necessary to minimize the impact of tax liabilities a client could incur. The tax-efficient investment strategies that the Adviser recommends or implements do not comprise a comprehensive tax management plan, are not intended to be tax advice, and the Adviser does not represent that any particular tax consequences will be obtained. Clients should consult with their personal tax advisors regarding the tax consequences of investing.

## **Volatility Risk; Volatility of Investment Returns**

The performance of investment strategies the Adviser deploys on behalf of its clients may be volatile (both in absolute terms and relative to realized returns), potentially resulting in increased risks, including the risk of losses. Such strategies may have volatility, a greater chance of losses or negative returns, lower average returns, correlation with certain macroeconomic risk factors, asset class concentrations, and/or other significant risks, whether in absolute terms, relative to expected returns, or relative to certain other strategies that are deployed by the Adviser on behalf of other clients.

## **Item 9: Disciplinary Information**

There are no adverse disciplinary events affecting the Adviser that would be deemed material to a client's decision to use the Adviser's investment advisory services.

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

The Adviser is a wholly owned subsidiary of BlackRock Inc., a broad financial services organization with many subsidiaries that operate in the financial services industry. At this time, the Adviser is operating independently from BlackRock and its affiliated entities. The Adviser has no arrangements with BlackRock and its affiliated entities that would be material to its advisory business or to its clients. The Adviser's investment recommendations can include mutual fund shares or ETFs, such as the U.S. iShares ETFs that are advised or sub-advised by a BlackRock Affiliate. Relevant BlackRock Affiliates (*e.g.*, broker dealers, investment advisers) are listed below:

### **Broker-Dealers**

BlackRock Investments, LLC, and BlackRock Execution Services are broker-dealers registered under Section 15 of the Securities Exchange Act of 1934, as amended, and are members of the Financial Industry Regulatory Authority.

### **Investment Advisers**

The following BlackRock Affiliates are registered investment advisers with the SEC ("BlackRock Investment Advisers"):

- BlackRock Financial Management, Inc.
- BlackRock Advisors, LLC
- BlackRock International Limited
- BlackRock Capital Management, Inc.
- BlackRock Investment Management, LLC
- BlackRock Fund Advisors
- BlackRock Realty Advisors, Inc.
- BlackRock (Singapore) Limited



- BlackRock Asset Management North Asia Limited
- BlackRock Asset Management Schweiz, AG

### **Commodity Pool Operator and/or Commodity Trading Advisor**

- BlackRock Financial Management, Inc., BlackRock Investment Management, LLC, BlackRock Fund Advisors, BlackRock Advisors, LLC, and BlackRock Institutional Trust Company, N.A. are registered as commodity pool operators and commodity trading advisors.
- BlackRock Capital Management, Inc. is an exempt commodity pool operator and exempt commodity trading advisor.
- BlackRock International Limited is a registered commodity trading advisor.
- iShares Delaware Trust Sponsor LLC is a registered commodity operator.

The BlackRock Affiliates listed above that are registered as a commodity pool operator and/or commodity trading advisors are members of the National Futures Association.

### **National Banking Association**

BlackRock Institutional Trust Company, N.A. is a national banking association organized under the laws of the U.S. and operating as a limited purpose trust company.

### **Municipal Advisor**

BlackRock Institutional Trust Company, N.A. is registered as a Municipal Advisor with both the SEC and the Municipal Securities Rulemaking Board.

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

The Adviser has adopted a formal Code of Ethics that is consistent with the requirements of Rule 204A-1 under the Advisers Act. The Adviser requires its employees to represent that they will comply with the Adviser's Code of Ethics to help to avoid actual and potential conflicts of interest and comply with applicable provisions of laws. A copy of the Adviser's Code of Ethics is available to clients upon request. The Adviser's employees may invest in the same mutual funds, ETFs, or other securities that the Adviser recommends to its clients.

Where appropriate, the Adviser in accordance with applicable laws, will purchase on behalf of or recommend to its clients, shares of mutual funds or ETFs for which a BlackRock Investment Adviser serves as investment adviser or sub-adviser, such as the U.S. iShares ETFs advised by BlackRock Fund Advisors. As a subsidiary of BlackRock Inc., the Adviser may face potential conflicts when recommending to its clients affiliated products with respect to which a BlackRock Affiliate receives fees and/or other compensation. In hindsight, circumstances could be construed that such recommendation conferred a

benefit upon the affiliated product or the BlackRock Investment Adviser to the detriment of the Adviser's client.

As of the date of this Brochure, for clients working directly with the Adviser prior to and following the BlackRock Acquisition, the Adviser has not changed its investment algorithms with respect to U.S. iShares ETFs, which are affiliated products of BlackRock. For these clients, the Adviser will continue to provide U.S. iShares ETF recommendations based on the investment algorithms in place before the BlackRock Acquisition. Please see Item 8 above for more information about the Adviser's investment strategy and methods.

From time to time, BlackRock may, for temporary purposes, in order to provide initial seed capital, hold a proprietary interest for a period of time after the inception of an affiliated product, including mutual funds and ETFs. When BlackRock disposes of their interest, the shares may be sold, directly or indirectly to clients of BlackRock. In addition, BlackRock's disposition of its interest in the affiliated product may have an impact on the price or liquidity of the affiliated product being sold.

### **Outside Activities**

Employees of the Adviser have a duty to act solely in the interest of advisory clients; as such the Adviser's Outside Activity Policy requires that employees of the Adviser obtain approval before engaging in any outside activities so that the Adviser has the opportunity to consider whether such activities create actual or potential conflicts of interest. The Outside Activity Policy is intended to identify activities that have the potential to conflict with an employee's role at the Adviser and/or the Adviser's activities.

### **Item 12: Brokerage Practices**

Premium Service clients may open one or more accounts with broker-dealers that are qualified custodians, as defined under Advisers Act Section 206(4)-2, that, in Adviser's reasonable judgment are qualified to meet the brokerage and custodial needs of Premium Service clients. The Adviser does not select executing brokers, custodians, or clearing brokers for its Basic Service users. Where the Adviser is acting as a subadviser, an Intermediary will, in its reasonable judgment, evaluate which broker-dealer(s) are qualified to meet the brokerage and custodial needs of the Intermediary client.

The Adviser considers the following characteristics when recommending broker-dealers for Premium Service client transactions: (i) financial strength and reputation; (ii) trading platform; (iii) experience in handling the transaction, brokerage, custodial and record-keeping needs of an internet-based investment adviser; (iv) securities pricing and transaction and custodial costs; (v) level of responsiveness to the Adviser's execution needs for its client accounts; (vi) access to securities that the Adviser selects for client account transactions; (vii) block trading capabilities; and (iix) accuracy of trades and trade confirmations and, in the event that errors occur, rapid and fair error correction process.

When determining which broker-dealers to choose to effect transactions for Client accounts, the Adviser, subject to its written policies and procedures, has authority to consider the full range and quality of the services and products provided by various brokers.

### **Soft Dollars**

The Adviser does not generate “soft dollar” credits through commissions on client accounts.

### **Brokerage for Client Referrals**

The Adviser does not consider the possibility of receiving client referrals from a particular broker-dealer when selecting or recommending that clients use the broker-dealer.

## **Item 13: Review of Accounts**

### **Basic Service**

Use of the Basic Service results in a portfolio review as of a particular point in time and the Adviser does not provide ongoing monitoring or advice. Users have the option to review their portfolio through automated computer algorithms by returning to the website and conducting another portfolio review. Any such review is self-service. Results may vary with each use and over time.

### **Premium Service**

The Adviser regularly reviews the accounts of its Premium Service clients. Triggering factors may include, but are not limited to, overall market movement, a significant change to one or more of the securities owned by a particular client, or changes in clients’ life circumstance if clients report them to the Adviser.

The Adviser conducts the account reviews through its automated computer algorithms and by the Adviser’s investment adviser professional monitoring the accounts. For each of the Adviser’s investment strategies, the portfolio manager and/or other supervisors are responsible for periodically reviewing trading data and other automated reports and overseeing the trading activity performed on behalf of the Adviser’s clients within the Adviser’s investment strategies. Such reviews include without limitation a verification that actual trading activity is consistent with the intended strategy, an analysis of risks associated with a particular strategy, and a determination that trading is undertaken in compliance with applicable regulations. In addition, the Adviser uses independent third parties to conduct financial audits of the accounts of its clients, and the Compliance Department reviews certain other aspects of regulatory compliance. The frequency of all such reviews is determined as warranted by the purpose of the review and other circumstances.

In addition, where the Adviser is acting as a subadviser, an Intermediary may conduct account reviews depending on the nature of the client’s contractual or advisory relationship with the Intermediary.

The Adviser provides advisory clients with reports through its website on a periodic basis, which reports generally include, among other things, the net asset value or the capital balance of such client's account and a measure of performance based on the change in valuation of such client's account.

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

The Adviser may conduct campaigns through advertising networks (*e.g.*, Google AdWords/AdSense, Microsoft AdCenter) and compensate such advertising networks accordingly. In addition, at certain times the Adviser may offer a credit or nominal gift to existing clients that refer new clients to use the Adviser's services. While the amount of the credit or gift is nominal, such credits or gifts may cause a conflict of interest if existing clients make this referral solely to receive the credit or gift.

In addition, the Adviser has entered into and may continue to enter into written agreements with third-party solicitors who are in a position to refer clients to the Adviser. Generally, where such referrals may result in a new Premium Service client, the Adviser will compensate the third-party solicitor according to the terms negotiated with such solicitor.

The Adviser may provide technology and/or consulting services to third party financial entities, including entities that may be registered as investment advisers under the Advisers Act and / or registered as broker-dealers under Section 15 of the Securities Exchange Act of 1934. As a technology services provider, the Adviser will have no portfolio management, investment advisory, or fiduciary responsibilities with respect to any end user clients who may use the technology through an Intermediary. When providing technology and/or consulting services to third party financial entities, the Adviser will not manage, monitor, or oversee any trading decisions of any end user client, any client's compliance with the client's investment objectives; or any other aspects of the portfolio management activity of client accounts or portfolios. The Adviser will not enter into a discretionary investment management agreement with a client solely in connection with the provision of technology services to an Intermediary.

#### **Item 15: Custody**

The Adviser generally does not have custody of client assets. Premium Service assets are held in the name of the Premium Service client and are held in the custody of a dealer-broker, which is a qualified custodian as defined under Advisers Act Rule 206(4)-2. However, because certain clients may authorize the Adviser to receive its Management Fee out of the assets in such clients' accounts by sending invoices to the respective custodians of those accounts, the Adviser may be deemed by the SEC to have custody of the assets in those accounts. Such clients generally will receive account statements directly from their third-party custodians for the accounts and should carefully review these statements. Such clients should contact the Adviser immediately if they do not receive account statements from their custodian on at least a quarterly basis. As noted in Item 13 ("Review of Accounts") of this brochure, the Adviser may provide clients with separate reports or account statements providing information about the account. Clients should compare these carefully to the account statements received from the custodian. If clients discover

any discrepancy between the account statement provided by the Adviser and the account statement provided by the custodian, then they should contact the Adviser immediately.

#### **Item 16: Investment Discretion**

As a general rule, the Adviser receives discretionary investment authority from its clients at the outset of an advisory relationship for Premium Service clients. The Adviser requires a limited power of attorney (or other grant of authority required by a Premium Service client's broker-dealer) to act on a discretionary basis for its Premium Service clients, allowing the Adviser to execute trades on behalf of these clients. Premium Service clients complete the applicable documentation required by the client's broker-dealer as part of the Premium Service enrollment process.

#### **Item 17: Voting Client Securities**

The Adviser does not have the authority to vote user or client securities for Basic Service users or Premium Service clients, nor does it provide advice about particular proxy solicitations. Clients must vote proxies on securities held in their account directly based on information they receive from their custodians.

#### **Item 18: Financial Information**

The Adviser does not require or solicit payment of more than \$1,200 in fees per client, six months, or more in advance. The Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. The Adviser has not been subject to a bankruptcy petition at any time during the past ten years.

**Item 1: Cover Page****Form ADV Part 2B: Brochure Supplement**

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505 Howard St.  
4<sup>th</sup> Floor  
San Francisco, CA 94105  
+1 (800) 975-7199  
[www.futureadvisor.com](http://www.futureadvisor.com)

September 28, 2016

This brochure supplement provides information that supplements the FutureAdvisor Form ADV Part 2A brochure with regard to the following persons: Bo Lu, Simon Moore, Patrick Clark, William Tuhacek, Nicholas Sciandra, and Gary Hall.

You should have received a copy of the FutureAdvisor Form ADV 2A brochure. Please contact FutureAdvisor at +1 800-975-7199 or by email at [compliance@futureadvisor.com](mailto:compliance@futureadvisor.com) if you did not receive that brochure or if you have any questions about the contents of this brochure supplement.

Additional information about FutureAdvisor is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

As used in this Part 2B, the term "the Adviser" refers to FutureAdvisor except where the context otherwise requires.

This brochure supplement is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment, or investment vehicle.

**BO LU****Item 2: Educational Background and Business Experience**

Year Born: 1983

Formal education: University of Illinois at Urbana-Champaign, BS, Computer Science, 2004

Business background: FutureAdvisor, Chief Executive Officer, 2010 to present; Chief Compliance Officer, May 2010 to March 2014, and August 2015 to October 2015  
Microsoft Corporation, Program Manager, 2004 to 2010  
Series 65

**Item 3: Disciplinary Information**

Mr. Lu has no disciplinary events.

**Item 4: Other Business Activities**

The investment advisory business is Mr. Lu's occupation. Mr. Lu is not involved in other business activities requiring disclosure.

**Item 5: Additional Compensation**

Mr. Lu does not receive any compensation or economic benefit from sources outside of the Adviser for providing advisory services.

**Item 6: Supervision**

Mr. Lu serves as the Chief Executive Officer of the Adviser and as such is not subject to additional supervision. Mr. Lu may be contacted at 1 (800) 975-7199. The Adviser's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting. The Adviser's portfolio management team supervises the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Adviser's compliance function monitors the Adviser's investment activities through electronically generated reports designed to audit trading activity and account management. Finally, the Adviser's investment committee periodically reviews the Adviser's investment strategies and risk processes, and approves revisions to those strategies and processes as necessary.

**SIMON MOORE, CFA®**

**Item 2: Educational Background and Business Experience**

Year born: 1978

Formal education: University of Oxford, B.A. Politics Philosophy and Economics, 2000  
Chartered Financial Analyst Designation, 2004  
Kellogg School of Management, Northwestern University, MBA, 2006

Business background: FutureAdvisor, Chief Investment Officer, 2013 to Present  
Microsoft Corporation, Senior Product Planner and Program Manager,  
2006 to 2013  
Chartered Financial Analyst®

**Item 3: Disciplinary Information**

Mr. Moore has no disciplinary events.

**Item 4: Other Business Activities**

The investment advisory business is Mr. Moore's occupation. Mr. Moore is not involved in other business activities requiring disclosure.

**Item 5: Additional Compensation**

Mr. Moore does not receive any compensation or economic benefit from sources outside of the Adviser for providing advisory services.

**Item 6: Supervision**

Mr. Moore serves as the Chief Investment Officer of the Adviser and is responsible for recommendations given to clients. Mr. Moore is supervised by Mr. Lu pursuant to the Adviser's policies and procedures. Messrs. Lu and Moore may be contacted at 1 (800) 975-7199. The Adviser's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting. The Adviser's portfolio management team supervises the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Adviser's compliance function monitors the Adviser's investment activities through electronically generated reports designed to audit trading activity and account management. Finally, the Adviser's investment committee periodically reviews the Adviser's investment strategies and risk processes, and approves revisions to those strategies and processes as necessary.



**PATRICK CLARK****Item 2: Educational Background and Business Experience**

Year born: 1981

Formal education: Santa Clara University, BS, Finance, 2003

Business background: FutureAdvisor, Director of Client Services, 2014 to present  
Fisher Investments, Client Services Training Manager, 2003 to 2014  
Series 65

**Item 3: Disciplinary Information**

Mr. Clark has no disciplinary events.

**Item 4: Other Business Activities**

The investment advisory business is Mr. Clark's occupation. Mr. Clark is not involved in other business activities requiring disclosure.

**Item 5: Additional Compensation**

Mr. Clark does not receive any compensation or economic benefit from sources outside of the Adviser for providing advisory services.

**Item 6: Supervision**

Mr. Clark serves as a Financial Advisor at the Adviser. Mr. Clark is supervised by Mr. Lu pursuant to the Adviser's policies and procedures. Messrs. Lu and Clark can be contacted at 1 (800) 975-7199. The Adviser's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting. The Adviser's portfolio management team supervises the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Adviser's compliance function monitors the Adviser's investment activities through electronically generated reports designed to audit trading activity and account management. Finally, the Adviser's investment committee periodically reviews the Adviser's investment strategies and risk processes, and approves revisions to those strategies and processes as necessary.

**WILLIAM TUHACEK****Item 2: Educational Background and Business Experience**

Year born: 1982

Formal education: University of Southern California, BA, International Relations/Business/Chinese, 2006

Business background: FutureAdvisor, Financial Advisor, 2014 to present  
United States Marine Corps, IT Department Manager, 2010 to 2014  
Fisher Investments, Investment Counselor, 2007 to 2010  
Series 65

**Item 3: Disciplinary Information**

Mr. Tuhacek has no disciplinary events.

**Item 4: Other Business Activities**

The investment advisory business is Mr. Tuhacek's occupation. Mr. Tuhacek is not involved in other business activities requiring disclosure.

**Item 5: Additional Compensation**

Mr. Tuhacek does not receive any compensation or economic benefit from sources outside of the Adviser for providing advisory services.

**Item 6: Supervision**

Mr. Tuhacek serves as a Financial Advisor and the supervisory of the Adviser's Financial Advisor group. Mr. Tuhacek is supervised by Mr. Clark pursuant to the Adviser's policies and procedures. Messrs. Clark and Tuhacek may be contacted at 1 (800) 975-7199. The Adviser's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting. The Adviser's portfolio management team supervises the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Adviser's compliance function monitors the Adviser's investment activities through electronically generated reports designed to audit trading activity and account management. Finally, the Adviser's investment committee periodically reviews the Adviser's investment strategies and risk processes, and approves revisions to those strategies and processes as necessary.

**NICHOLAS SCIANDRA, CFP®**

**Item 2: Educational Background and Business Experience**

Year born: 1982

Formal education: Arizona State University, B.I.S., Business/Economics

Business background: FutureAdvisor, Financial Advisor, 2015 to present  
E\*Trade Financial, Corporate Services Financial Consultant, 2014 to 2015  
Charles Schwab, Financial Consultant, 2007 to 2014  
Series 7, 9, 10, 63, and 66. Certified Financial Planner®.

**Item 3: Disciplinary Information**

Mr. Sciandra has no disciplinary events.

**Item 4: Other Business Activities**

The investment advisory business is Mr. Sciandra's occupation. Mr. Sciandra is not involved in other business activities requiring disclosure.

**Item 5: Additional Compensation**

Mr. Sciandra does not receive any compensation or economic benefit from sources outside of the Adviser for providing advisory services.

**Item 6: Supervision**

Mr. Sciandra serves as a Financial Advisor at the Adviser. Mr. Sciandra is supervised by Mr. Tuhacek pursuant to the Adviser's policies and procedures. Messrs. Tuhacek and Sciandra may be contacted at 1 (800) 975-7199. The Adviser's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting. The Adviser's portfolio management team supervises the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Adviser's compliance function monitors the Adviser's investment activities through electronically generated reports designed to audit trading activity and account management. Finally, the Adviser's investment committee periodically reviews the Adviser's investment strategies and risk processes, and approves revisions to those strategies and processes as necessary.

**GARY HALL, CFA®**

**Item 2: Educational Background and Business Experience**

Year born: 1979

Formal education: Oregon State University, BS, General Science, 2003

Business background: FutureAdvisor, Portfolio Manager, 2014 to present  
Fisher Investments, Research Analyst, 2007 to 2014  
Series 65. Chartered Financial Analyst®

**Item 3: Disciplinary Information**

Mr. Hall has no disciplinary events.

**Item 4: Other Business Activities**

The investment advisory business is Mr. Hall's occupation. Mr. Hall is not involved in other business activities requiring disclosure.

**Item 5: Additional Compensation**

Mr. Hall does not receive any compensation or economic benefit from sources outside of the Adviser for providing advisory services.

**Item 6: Supervision**

Mr. Hall serves as a Portfolio Manager at the Adviser. Mr. Hall is supervised by Mr. Lu pursuant to the Adviser's policies and procedures. Messrs. Lu and Hall may be contacted at 1 (800) 975-7199. The Adviser's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting. The Adviser's portfolio management team supervises the day-to-day execution of these models and continuously research ways to enhance their efficiency. Moreover, the Adviser's compliance function monitors the Adviser's investment activities through electronically generated reports designed to audit trading activity and account management. Finally, the Adviser's investment committee periodically reviews the Adviser's investment strategies and risk processes, and approves revisions to those strategies and processes as necessary.