

ELLEVEST WRAP FEE PROGRAM BROCHURE

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This wrap fee program brochure provides information about the qualifications and business practices of Ellevest Financial, Inc. (“Ellevest”), a registered investment adviser. 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 support@ellevest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Ellevest also is available on the SEC’s website at www.adviserinfo.sec.gov

Material Changes

Ellevest's last update of its Wrap Fee Program Brochure was on March 29, 2016. The following material changes have been made to the Brochure since the last update:

- Ellevest may negotiate lower fees for certain clients.
- Ellevest will compensate solicitors and other strategic partners for recommending Ellevest and/or referring new clients.
- Information about Ellevest's forecasts or projections of investment outcomes in its investment plans.

TABLE OF CONTENTS

<u>Material Changes</u>	<u>2</u>
<u>Advisory Firm Description</u>	<u>4</u>
<u>Services, Fees and Compensation</u>	<u>4</u>
<u>Account Requirements and Types Of Clients</u>	<u>6</u>
<u>Portfolio Manager Selection and Evaluation</u>	<u>6</u>
<u>Client Information Provided to Portfolio Managers</u>	<u>8</u>
<u>Client Contact with Portfolio Managers</u>	<u>8</u>
<u>Additional Information</u>	<u>9</u>

Advisory Firm Description

Ellevest Financial, Inc. (“Ellevest”) is an investment adviser registered with the Securities and Exchange Commission (“SEC”). The Firm was founded in November 2014. Its principal owners are Sallie L. Krawcheck, Charles H. Kroll, and Morningstar, Inc.

Services, Fees and Compensation

Services

Ellevest offers the Ellevest Wrap Fee Program (the “Program”), which is a discretionary investment advisory service sponsored by Ellevest. The Program provides personalized investment plans and portfolios tailored to the unique needs of women. Ellevest’s investment advice is limited to the Program.

The Program is offered exclusively online through the firm’s website, www.ellevest.com. Clients will provide information about themselves and their investment goals through the website. This will allow Ellevest to create a customized client investment plan. In doing so, Ellevest will consider the client’s assets, her financial goals, her ability to take on risk, her time horizon and earnings power in a range of economic scenarios. Ellevest will then propose an investment plan to her which includes savings, funding, timeline and asset allocation recommendations, as well as a diversified portfolio of exchange traded funds (“ETFs”) and cash equivalents.

The client may elect to implement this recommended investment plan and have the portfolio managed on an ongoing basis through the Program. To do so, she must enter into an advisory agreement with Ellevest and open a securities brokerage account and complete an account agreement with Folio Investments, Inc. (“Folio”), an SEC registered broker dealer that provides execution, clearing, custody and other brokerage related services to clients within the Program.

Fees

Under the Program, clients pay a single asset-based fee for brokerage, custodial, investment advisory and other related services (“Program Fee”). The Program Fee is 50 basis points (0.50%) per year. The Program Fee is prorated and charged monthly, in arrears, based upon the market value of the average daily account balance of the securities portfolio over the preceding month. There is no fee charged for cash balances in the Program’s Emergency Fund goal.

Since the asset-based fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a month, the base fee payable with respect to such assets is adjusted accordingly. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the

effective date of the termination and the outstanding portion of the fee is charged to the client.

Fee Comparison

As referenced above, a portion of the Program Fee is used to cover the securities brokerage commissions and transactional costs attributed to the management of Ellevest's clients' portfolios. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Services provided through the Program may cost clients more or less than purchasing these services separately. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. A wrap fee account may not be in the best interest of a client with minimal or no trading activity as compared to a non-wrap fee account or brokerage account where the client would otherwise pay trading costs as incurred but a lower fee in a non-wrap account or no advisory fee in a brokerage account.

Fee Discretion

The Program Fee is negotiable. Ellevest in its sole discretion may from time to time offer lower fees through promotions, referrals and other discounts to some accounts that differ from the fees stated above.

Other Charges

In addition to the Program Fee, clients may incur certain other charges imposed by third party financial institutions. These additional costs may include: reporting charges (typically where the financial institution is required to send paper statements), margin costs, charges imposed directly by an ETF, transfer taxes, wire transfer and electronic fund fees.

Direct Fee Debit

Clients generally provide Folio, the Program's custodian, with the authority to directly debit their accounts for payment of the Program Fee. Folio will deduct these fees and send statements to clients not less frequently than quarterly, detailing all account transactions, including any Program Fees paid to Ellevest.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Ellevest's right to terminate an account. Additions must be in cash. Clients may withdraw account assets on notice to Ellevest, subject to the usual and customary securities settlement procedures. However, Ellevest designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Clients are advised that when securities are withdrawn, they may be subject to transaction fees, and/or tax ramifications.

Compensation

Ellevest will pay referral fees to another advisor (who may be affiliated with Ellevest) or third party who might recommend that you participate in this program.

Account Requirements and Types of Clients

Ellevest does not have a minimum account size. However, only account assets that exceed \$1 will be invested in a diversified investment portfolio. Account assets below \$1 will be held in a cash equivalent account until such time as they are sufficient to create a diversified investment portfolio. The Program is offered to individuals and tailored primarily for women.

Portfolio Manager Selection and Evaluation

Ellevest is the sponsor and sole portfolio manager for the Program.

Investment Strategies and Methods of Analysis

Ellevest provides globally diversified investment portfolios that are personalized to a client's goal, time horizon, risk capacity, current financial assets, and earnings power. Ellevest does not engage in general market-timing, or specific timing of economic cycles, asset or sector classes, or individual securities. Ellevest's primary approach is a strategic asset allocation aimed at reducing over-all portfolio risk through diversification. This is effected through the use of ETFs and cash equivalents. Such assets are all subject to varying degrees of investment, market, credit, interest rate, and regulatory risks. Moreover, clients should be aware that diversification does not ensure a profit or protect against a loss in a declining market. There is no guarantee that any particular asset allocation or mix of funds will meet their investment objectives or provide a given level of income or return.

Forecasts

Ellevest offers forecasts or projections of investment outcomes in its investment plans. Forecasts are estimates only, based upon numerous assumptions about future capital markets returns and economic factors such as interest rates and inflation, a client's salary growth and savings rates, the value of social security benefits, as well as information supplied by a client. As estimates, they are imprecise and hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Additionally, they are subject to change over time with updates to our algorithm or underlying assumptions, and may be materially impacted by a client's failure to update their personal and financial information.

Management through Similarly Managed “Model” Accounts

Ellevest manages accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among ETFs and cash equivalents on a discretionary basis using one or more of its proprietary investment strategies. For each goal, Ellevest invests in portfolios of ETFs. Through the automated program clients may change the horizon of their goal, which will likely result in a different portfolio allocation and holdings. In general, choosing a shorter horizon will result in a more conservative portfolio, and choosing a longer horizon will result in a more aggressive portfolio. Ellevest allows only limited adjustment because it believes its automated program creates an investment plan that is best suited for the client, based on her goals.

To participate in the Program, Clients must agree to have their accounts automatically rebalanced periodically at Ellevest’s discretion to the model strategy. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. As a consequence of rebalancing, clients may incur potentially adverse tax consequences.

Performance Based Fees and Side-By-Side Management

Ellevest does not charge performance-based fees (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets).

Voting of Client Securities

Ellevest does not vote proxies on behalf of clients or advise clients regarding voting proxies for securities held in the Program. Clients are expected to vote their proxies and will receive proxies directly from the custodian.

Risk of Loss

Market Risks

Investing in financial markets involves risk, including the potential loss of principal, and all investors should be guided accordingly. The performance of Ellevest’s recommendations and/or investment decisions depend upon market movements and the combination of asset classes and investments selected by Ellevest. There can be no assurance that a client will achieve her goals or positive investment performance over any period of time.

ETFs

An investment in ETFs involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund’s underlying portfolio securities. Such

shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent net asset value ("NAV"), which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Client Information Provided to Portfolio Managers

Ellevest acts as the sole portfolio manager under the Program and, as such, the Firm does not share client information with any other portfolio managers.

Clients have the ability to add limited restrictions to Ellevest's portfolio management. If reasonable restrictions are requested by a client, alternative asset allocations or diversified funds may be made available. However, since Ellevest's portfolio management is executed through a model program, under certain circumstances a client restriction on the purchase of a fund included in the program may be inconsistent with the operation of the program if the fund plays a necessary role in the overall investment strategy determined to be appropriate for the client. Under these circumstances, such a restriction may be so burdensome as to be unreasonable and Ellevest would likely refuse to accept the restriction and the client as part of the Program.

Client Contact with Portfolio Managers

Ellevest is registered with the SEC under an exemption that requires it to provide its advisory services exclusively through an interactive website. To do so, Ellevest collects information about the client's financial circumstances, goals, and objectives through its automated interactive platform to offer an appropriate investment plan for her needs. Since no investment advice is provided directly from portfolio managers, clients will be reminded that they should update their information on Ellevest's automated platform if their financial condition changes so that they may review alternative investment advice via the platform. Ellevest relies upon the accuracy of the information entered by the client when proposing an investment plan. The recommended plan may not be suitable if the client has provided incorrect information or the information is out-of-date.

Information regarding a client's portfolio holdings, performance, and tracking to goal will be available to clients through Ellevest's interactive website. Clients may contact Ellevest by phone or email during its business

hours with questions about the service. However, to comply with its regulatory obligations, Ellevest will not elaborate or expand upon the investment advice provided by its website.

[Additional Information](#)

Disciplinary Information

Ellevest has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Other Financial Industry Activities and Affiliations

Pax Ellevest Global Women's Index Fund

Sallie Krawcheck is Chair of the Pax Ellevest Global Women's Index Fund (the "Pax Fund") and principal of Ellevest Asset Management LLC, a partner of Pax World Management LLC. The Pax Fund is a mutual fund that invests in the top-rated companies in the world for advancing women. To avoid any potential conflict of interest, Ellevest will not invest client assets in the Pax Fund.

SimplySmart Asset Management, Inc.

The Firm's Chief Investment Officer, Sylvia Shiu Han Kwan, is the Chief Investment Officer and majority owner of SimplySmart Asset Management, Inc. ("SimplySmart"), a California registered investment adviser. Ms. Kwan divides her time between Ellevest and SimplySmart. Although her duties at SimplySmart include business and portfolio management, her service to Ellevest is not expected to conflict with her obligations to SimplySmart, as each business pursues different investment objectives and strategies for its clients.

Morningstar, Inc.

Morningstar, Inc. ("Morningstar") has a minority equity interest in the Firm. Ellevest has separately engaged Morningstar to provide certain services, including its wealth forecast estimators and consultation regarding the make-up of the portfolios (including specific ETFs included in client portfolios). Morningstar's ownership interest in Ellevest may create the appearance of a conflict of interest. However, Ellevest will use Morningstar's services if it is in the best interest of clients. Further, Morningstar has no control over Ellevest's investment decision making process.

Code of Ethics

Ellevest has adopted a Code of Ethics ("Code") as required by the applicable securities laws. The Code sets forth the standards of business conduct expected of its supervised persons. This includes procedures to: (1) prevent access to material nonpublic information about Ellevest's securities recommendations and client securities holdings and transactions by individuals who do not need the information to perform their duties; (2)

review and approval of certain securities transactions and holdings by supervised persons with access to client information; and (3) report of any internal violations of the code. Ellevest will provide a copy of its Code to clients and prospective clients upon request.

Account Reviews

Ellevest monitors portfolios on a continuous and ongoing basis. Such reviews are generally conducted through the Firm's technology solution under the supervision of the firm's Chief Investment Officer. Ellevest will contact clients electronically via email on a quarterly and annual basis to remind them to update through the Firm's website, any changes to their financial situation and investment objectives and also to determine if she wishes to impose or modify any reasonable restrictions on the management of the account.

Account Statements and General Reports

Clients will be provided with transaction confirmation notices and account statements at least quarterly directly from Folio, the custodian of their assets. Clients may also access account reports and other transaction data directly through the Ellevest website. Clients are advised to compare the account statements that they receive from their custodian with any of those accessed from the Ellevest website to confirm the accuracy of the information contained. Should discrepancies or errors be found, clients should contact Ellevest or the custodian directly.

Client Referrals

Ellevest may, from time to time, enter into referral arrangements with third party solicitors and strategic partners. Such third party solicitors and strategic partners will be compensated for their referrals in cash and/or non-cash (e.g., stock in Ellevest). Clients are not charged any fee nor do they incur any additional costs for being referred to Ellevest by a solicitors or other strategic partners.

Brokerage Practices

To participate in the Program, clients must direct all brokerage transactions for their accounts to Folio. Clients cannot designate or select a different broker for trade execution. The use of Folio will comply with the Firm's duty to obtain "best execution." In seeking best execution, the determinative factor is not just cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of Folio's services, including, execution capability, commission rates and responsiveness.

Technology and Support Provided by Folio

Ellevest receives without cost from Folio, technology and related systems support that allows Ellevest to better monitor client accounts maintained at Folio. Ellevest receives this technology and support without cost as the Firm renders investment advisory services to clients that maintain accounts at Folio. The technology

and support services are not provided for the direction of securities transactions in client accounts (i.e., not “soft dollars”) to Folio.

Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information and disclosures about their financial condition. Ellevest does not have any financial condition that is reasonably likely to impair it from meeting its contractual commitments to clients and has never been subject of a bankruptcy proceeding.