

Openfolio LLC

Form ADV Part 2A – Disclosure Brochure

Effective: June 18, 2015

This Disclosure Brochure provides information about the qualifications and business practices of Openfolio LLC (“Openfolio”). If you have any questions about the contents of this Disclosure Brochure, please contact us at via our website at <http://openfolio.com>.

Openfolio is a Registered Investment Advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Openfolio to assist you in determining whether to retain the Advisor.

Additional information about Openfolio and its advisory persons are available on the SEC’s website at www.adviserinfo.sec.gov. To review the firm information for Openfolio, you may search by our business name or by our CRD # 226607.

Item 2 – Material Changes

Openfolio believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Openfolio encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Initial Filing

Openfolio is a new Registered Investment Advisor. This is the initial filing of the Disclosure Brochure.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Openfolio.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. To review the firm information for Openfolio, you may search by our business name or by our CRD # 226607. You may also request a copy of this Disclosure Brochure at any time, by contacting us via our website at <http://openfolio.com>.

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Item 4 – Advisory Services

A. Firm Information

Openfolio LLC (“Openfolio” or the “Advisor”) is a Registered Investment Advisor with the U.S. Securities and Exchange Commission (“SEC”) conducting business as an “Internet-only” advisor pursuant to Section 203A-2(e) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Openfolio is organized as a Limited Liability Company (“LLC”) under the laws of the State of Delaware. Openfolio was founded in May 2015 as a wholly-owned subsidiary of Openfolio, Corp. Openfolio is primarily operated by Ketan Bhalla and Hart Lambur. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Openfolio.

B. Advisory Services Offered

Openfolio provides an online advisory platform for visitors of its website at <http://openfolio.com>. Visitors of the website (herein “Users”) have access to online financial tools, calculators and educational materials. Users of the website may also opt to become investment advisory clients of Openfolio by entering into an investment advisory agreement. Users that opt into this subscription service for investment advisory services are each herein referred to as a “Client”.

Investment Management Services

Openfolio provides customized investment advisory solutions for Clients. Through the Advisor’s online investment advisory model, the Advisor will gather pertinent background information regarding each Client, including the Client’s investment goals and objectives, tolerance for investment risk, financial situation and timeline for achieving investment goals. The Advisor assist the Client with developing a portfolio allocation through its interactive website and other tools.

The Advisor will construct a portfolio utilizing one or more sub-advisors and/or investment platforms (herein “Sub-Advisors”) to achieve the Client’s investment objectives. The Advisor will typically construct the portfolio utilizing Sub-advisors that employ a low-cost investment structure. The Advisor does not assume the discretion to implement these portfolio decisions without prior approval of the Client. As a non-discretionary advisor, Openfolio will recommend the Sub-Advisor[s] and assist the Client in determining which Sub-Advisor[s] and investment strategies are appropriate to achieve the Client’s goals and objectives. The Client will however authorize the Sub-advisor[s] to have discretion over the investments of the Client’s account[s].

The Advisor will monitor the performance Sub-advisor[s] for each Client’s account[s] to ensure consistency with the Sub-advisor’s investment mandates and the Client’s overall investment goals. The Advisor may reallocate weightings across various sub-advisors, hire an additional Sub-advisor or replace a Sub-advisor, as appropriate.

Openfolio’s investment strategy is primarily long-term focused, but the Advisor may recommend shorter-term strategies under certain situations. Clients may request that certain restrictions be placed on their accounts. All restrictions are subject to the acceptance by Openfolio and by the respective Sub-advisor.

Openfolio will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Openfolio accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment advisory agreement.

In certain instances, the Sub-Advisor establishes its contractual relationships in a manner that defines the Advisor as a “referrer” or “solicitor”. Please see Item 14 below.

Limited Access to Advisor

The Advisor serves as an “Internet-Only” investment advisor pursuant to Section 203A-2(e) of the Advisers Act. Under this registration the Advisor provides its investment advisory solely through its interactive website. The Advisor is not available to Clients for telephone conversations or communications through other means such as U.S. mail, courier or email (other than operational emails). The Advisor does not meet with Client’s at its offices. All advice, support and inquiries are delivered through the Advisor’s website.

The Advisor may, for a limited number of Clients annually, provide customized services, subject to the limitations set forth in Section 203A-2(e) of the Advisers Act.

Consulting Services

In connection with its advisory services, Openfolio may provide a variety of financial consulting services to Clients, on an “as needed basis”, through its interactive website. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial situation. The Advisor generally does not offer formal financial planning services.

C. Client Account Management

Prior to engaging Openfolio to provide investment advisory services, each Client is required to enter into an investment advisory agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy – Openfolio will provide the Client with interactive tools to assist the Client in defining investment goals and objectives.
- Asset Allocation – Openfolio will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Openfolio will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client. The Portfolio Construction process will include recommendation for one or more Sub-Advisors to manage the Client’s investment assets.
- Investment Management and Supervision – Openfolio will provide ongoing investment oversight of the Client’s portfolio and the Sub-Advisor[s].

D. Wrap Fee Programs

Openfolio does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Openfolio.

E. Assets Under Management

Openfolio is a newly established advisor. Assets under management shall be reported following the Advisor’s December 31, 2015 fiscal year end. Clients may request more current information at any time by contacting the Advisor.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an Investment advisory agreement that details the responsibilities of Openfolio and the Client.

A. Fees for Advisory Services

Investment Management Services

Investment advisory fees may be billed directly by Openfolio or by the selected Sub-Advisor[s], depending on the terms of the investment advisory agreement and the contract provisions with each Sub-Advisor. For Client accounts bill by the Advisor, fees typically billed quarterly, in advance of each calendar quarter. Investment advisory fees range from up to 1.00%, depending on several factors, including the size and complexity of the Client relationship. Investment advisory fees will include the Sub-Advisor’s fees. Investment advisory fees in the first quarter of service are prorated from the inception date of the account[s] to the end of the first quarter. The Client’s fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Openfolio will be independently valued by the designated Custodian. Openfolio will not have the authority or responsibility to value portfolio securities.

Accounts billed directly by the Sub-Advisor will include the Advisor’s fees as noted above and may be billed following a different methodology. Please see Item 14 below.

B. Fee Billing

Investment Management Services

Investment advisory fees will be calculated by the Advisor or the Sub-Advisor[s] and automatically deducted from the Client's account[s] by the Custodian. The Advisor or the Sub-Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] for the respective billing period. The amount due is calculated by applying the rate (generally the annual rate divided by four) to the total assets under management with Openfolio at the end of each quarter. Clients will be provided with a quarterly statement from the Custodian reflecting deduction of the investment advisory fee. In addition, the Advisor makes information regarding the Client's account[s] and fees available to the Client via our website at <http://openfolio.com>. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Openfolio to be paid directly from their accounts held by the Custodian as part of the Investment advisory agreement and separate account forms provided by the Custodian.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Openfolio, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the Custodian and executing broker-dealer. The Investment Advisory Fee charged by Openfolio is separate and distinct from these Custodian and execution fees.

In addition, all fees paid to Openfolio for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Openfolio, but would not receive the services provided by Openfolio which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Openfolio to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Investment Management Services

Openfolio is typically compensated for its services in advance of the quarter in which investment advisory services are rendered. Clients may request to terminate their investment advisory agreement with Openfolio, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's Investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

E. Compensation for Sales of Securities

Openfolio does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

Openfolio does not charge performance-based fees for its investment advisory services. The fees charged by Expat Advisory are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client. Openfolio does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 – Types of Clients

Openfolio offers investment advisory and related services to individuals, high net worth individuals, and other types of clients through interactive website at <http://openfolio.com>. The relative percentage of each type of Client is available on Openfolio's Form ADV Part 1. These percentages will change over time. Openfolio generally does not impose a minimum account size for establishing a relationship.

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

A. Methods of Analysis

Openfolio generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Openfolio will select Sub-Advisor[s] based on the specific needs of each Client.

B. Risk of Loss

Past performance is not a guarantee of future returns. Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Openfolio will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Additional details regarding the risks associated with a Client's investment portfolio are also provided on the Advisor's websites.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Openfolio or any of its employees.

Openfolio and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

To review the firm information contained in Form ADV Part 1, select the option for "Investment Adviser Search", then selecting "Firm" and enter **226607** in the field labeled "Firm Name or CRD# or SEC#". This will provide access to Form ADV Parts 1 and 2. Item 11 of the Form ADV Part 1 lists legal and disciplinary disclosure questions.

Item 10 – Other Financial Industry Activities and Affiliations

The sole business of Openfolio is to provide investment advisory services to its Clients. Openfolio's parent, Openfolio Corp. provides an interactive website with financial and educational tools and content. Advisory persons of the Advisor are also involved in the non-advisory business of Openfolio Corp.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Openfolio has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Openfolio. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Openfolio and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Openfolio associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us via our website at <http://openfolio.com>.

Openfolio allows our employees to purchase or sell the same securities that may be included in Client accounts. Openfolio does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Openfolio does not have a material interest in any securities traded in Client accounts. When trading for personal accounts, employees of Openfolio may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Openfolio requiring reporting of personal securities trades by its employees for review by the employee's supervisor or the CCO. While Openfolio allows our

employees to purchase or sell the same securities that may be implemented on behalf of Client's, Openfolio's employees do not have advance notice of the securities to be purchased or sold by any Sub-Advisor. At no time will Openfolio, or any associated person of Openfolio, transact in any security to the detriment of any Client.

We have also adopted written policies and procedures to detect the misuse of material, non-public information. In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Openfolio does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") through its separate agreement with a Sub-Advisor. Further, Openfolio does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Openfolio does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended Custodian. Openfolio may recommend a Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the Custodian's offices. Openfolio does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers. Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **Openfolio does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

2. Brokerage Referrals - Openfolio does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. Directed Brokerage – Brokerage transactions are determined through separate agreement with the Sub-Advisor[s] and/or Custodians.

B. Aggregating and Allocating Trades

Not applicable. The Advisor does not manage the underlying securities in Client accounts. The Advisor will provide oversight of the Sub-Advisor's to gain assurance that trades are aggregated and allocated in a fair and equitable manner.

Item 13 – Review of Accounts

Securities in Client accounts are monitored on a regular and continuous basis by the Sub-Advisor[s]. Principals of Openfolio will oversee the Sub-Advisor[s] and perform oversight of the Sub-Advisor[s] and the Client's accounts. Formal reviews are generally conducted at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Openfolio if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

The Client will receive brokerage statements no less than quarterly from Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Client will also have access to their accounts via our website at <http://openfolio.com>.

Item 14 – Client Referrals and Other Compensation

Openfolio is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. Openfolio does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Openfolio may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Openfolio may receive referrals of new Clients from a third-party. Openfolio does not engage paid solicitors for Client referrals. As noted in Item 5, investment advisory fees may be collected by the Sub-Advisor and remitted to the Advisor.

As noted in Item 4 above, certain Sub-Advisors may structure their contractual arrangements in a manner that defines Openfolio as a “referrer” or “solicitor”. In such instances, the Advisor’s services shall remain the same (as indicated in Item 4). The Sub-Advisor will enter into a direct agreement with the Client and collect all fees. The combined fee is not expected to exceed the fee schedule as noted in Item 5. The primary difference is that Sub-Advisor is collecting the fees and remitting a portion to Openfolio. The Advisor will provide full disclosure of all payment details and contractual arrangements.

Item 15 – Custody

Openfolio does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor’s fee. All Clients must place their assets with a qualified custodian. Clients are required to select the Custodian to retain their funds and securities and direct Openfolio to utilize the Custodian for the Client’s security transactions. Openfolio encourages Clients to review statements provided by the account custodian. For more information about custodians and brokerage practices, see “Item 12 - Brokerage Practices”.

Item 16 – Investment Discretion

Openfolio does not assume discretion to select the Sub-advisor[s] to implement investments on behalf of its Clients. Openfolio will present its recommendations to the Client for approval. The Sub-Advisor[s] will be granted investment discretion (through separate agreement) to implement their specific investment mandate[s], which means that the Sub-Advisor[s] have the authority over the selection and amount of securities to be bought or sold in a Client’s account[s] without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Openfolio.

Item 17 – Voting Client Securities

Openfolio does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian.

Item 18 – Financial Information

Neither Openfolio, nor its management, have any adverse financial situations that would reasonably impair the ability of Openfolio to meet all obligations to its Clients. Neither Openfolio, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Openfolio is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.