



NerdWallet Advisory, LLC  
Part 2A of Form ADV  
Brochure Document

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[www.nerdwallet.com](http://www.nerdwallet.com)

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of NerdWallet Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 549-8913. 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 NerdWallet Advisory, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

NerdWallet Advisory, LLC, commenced operations on August 27, 2015 and registered as an investment adviser with the SEC in January 2016. This Brochure provides new and prospective clients with current disclosure of its business practices, as well as potential conflicts of interest. In the future, any material changes made after NerdWallet Advisory's last annual update will be discussed in this Item.

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## Item 4. Advisory Business

NerdWallet Advisory, LLC, (“NerdWallet” or the “Firm”) commenced operations in August 2015 and began operations as an investment adviser in February 2016. NerdWallet, a Delaware limited liability corporation, is a wholly owned subsidiary of NerdWallet, Inc. Tim Chen, the Firm’s CEO, is the primary owner of NerdWallet, Inc. The Firm’s principal place of business is located in San Francisco, California.

NerdWallet provides investment advisory services to individuals, who reside in the United States of America (“U.S.A.”), through NerdWallet Advice OnDemand. NerdWallet Advice OnDemand is a mobile platform for users to interact with financial experts regarding their personal finances, which may include investing, taxes, loans, spending, and insurance, among others. NerdWallet owns and operates the mobile platform. The Firm requires individuals to provide a variety of personal financial information to help NerdWallet tailor their information and comparison tools, and determine what to recommend to the individuals. To the extent that it recommends specific financial advisers (“Advisers”), the recommendations (“Recommendations”) comprise, among other things, a list of different Advisers considered to be suitable for individual investment needs, and NerdWallet’s star rating on each of these Advisers. The rating is based on NerdWallet’s quantitative and qualitative review of the Advisers’ commissions, fee rates, account minimum, trading platform, customer support, investments and account selection. Each of these criteria has a weighted value, which NerdWallet uses to calculate a star rating. In its recommendations, the Firm will point out any pitfalls and note whether an Adviser is good for beginners, active traders, or investors looking for a specific investment product, such as Exchange Traded Funds.

In addition to the Recommendations, NerdWallet provides hyperlinks to the recommended Advisers, where an individual can click to open an account with the one that he or she selects. Although NerdWallet reviews those Advisers before recommending them to individuals, the Firm does not guarantee or ensure the success of any of the recommended Advisers in managing individual investments. The Firm relies on the individual responses to generate tailored information and comparison tools, and to provide suitable Recommendations. Individuals must provide accurate, complete and truthful answers to NerdWallet’s financial questions, as well as in any other communications between the individual and NerdWallet.

NerdWallet currently does not manage any client assets, and does not generally recommend specific securities or investments to individuals. However, from time to time, the Firm may offer advice on asset allocations to individuals and may recommend specific investments, such as open-end mutual funds to individuals. NerdWallet does not offer any legal or tax advice with respect to its investment advice, and accordingly, the Firm strongly urges individuals to work with their attorneys, accountants or other professionals with respect to their financial and personal situations.

## Item 5. Fees and Compensation

At present, NerdWallet provides its online Recommendations to individuals at no charge. However, the Advisers listed below will pay NerdWallet fees, presently ranging from \$30 - \$80 per referral, for referring individuals to them. These fees are subject to negotiation and may change. These referral fees are paid to NerdWallet only if the individual selects an Adviser through the Firm's website. Individuals have the option to directly contact the Adviser. Additionally, many of these fees are paid indirectly via an affiliate network, CJ Affiliate.

### Advisers who Pay NerdWallet Referral Fees:

<b>Name</b>	<b>Registration</b>
Betterment LLC	Investment Adviser and Broker-Dealer
E*TRADE Securities LLC	Broker-Dealer
E*TRADE Securities LLC (Etrade IRA)	Broker-Dealer
Firsttrade Securities, Inc.	Broker-Dealer
Personal Capital Advisors Corporation	Investment Adviser
LearnVest, Inc.	Investment Adviser
LOYAL3 Securities, Inc.	Broker-Dealer
Motif Investing, Inc.	Broker-Dealer
OM Securities, LLC (OptionsHouse)	Broker-Dealer
OM Securities, LLC (TradeMonster)	Broker-Dealer
optionsXpress , Inc.	Broker-Dealer
Scottrade, Inc.	Broker-Dealer
TD Ameritrade, Inc.	Broker-Dealer
TradeKing Securities, LLC	Broker-Dealer
TradeKing Advisors, Inc.	Investment Adviser
TradeStation Securities, Inc.	Broker-Dealer
USAA Financial Advisors, Inc. (USAA Brokerage Gold)	Investment Adviser and Broker-Dealer
USAA Financial Advisors, Inc. (USAA Brokerage Platinum)	Investment Adviser and Broker-Dealer
Wealthfront, Inc.	Investment Adviser and Broker-Dealer

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

NerdWallet does not charge performance-based advisory fees. In addition, NerdWallet has no arrangements by which client accounts are managed on a side-by-side basis.

## Item 7. Types of Clients

NerdWallet provides its services only to individuals who reside in the U.S.A.

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

The Firm currently does not manage any assets, and does not generally recommend specific securities or investments to individuals. However, from time to time, NerdWallet may offer advice on asset allocations to individuals and may recommend specific investments such as open-end mutual funds to individuals.

The Firm's Recommendations may vary depending upon each individual's specific financial situation or investment needs. NerdWallet uses an online questionnaire, email, or online chat tools to collect financial and investment information from individuals, as well as to understand their financial and investment needs. Types of information collected from individuals include: investment goals, risk tolerance, time horizon, life events, financial goals, current career and living situation, salary, debts, savings, real estate ownership, 401(k), and other types of retirement accounts.

NerdWallet's questionnaire may not completely analyze the entirety of an individual's financial or investment needs, and consequently, Recommendations and comparison tools provided to individuals may not be successful in helping individuals to select a suitable Adviser. It is not possible for the Firm to review all investment advisers and broker-dealers, and provide Recommendations that include all Advisers that may be suitable to an individual's investment needs. NerdWallet cannot guarantee the success of any recommended Advisers in achieving an individual's long or short term investment goals. In addition, individuals are urged to do their own investigation of any recommended Advisers by reviewing information regarding those investment advisers or broker-dealers on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) with respect to investment advisers) or the website of the Financial Industry Regulatory Authority, Inc. ([www.brokercheck.finra.org](http://www.brokercheck.finra.org) with respect to broker-dealers).

## **Item 9. Disciplinary Information**

NerdWallet and its management personnel have not been involved in any legal or disciplinary events in the past ten years that would be material to a client's or prospective client's evaluation of its advisory business or management integrity.

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

Neither NerdWallet nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither NerdWallet nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity-trading adviser, or an associated person of the foregoing entities.

Many of the Recommendations that appear on the NerdWallet's site involve Advisers from which the Firm receives compensation that can pose material conflicts of interest. When an individual clicks to open an account at one of these Advisers through the NerdWallet site, the Firm receives compensation from the selected Adviser. However, NerdWallet bases its ratings on

objective quantitative and qualitative analysis of Adviser attributes, and such Recommendations are not impacted by compensation. This compensation enables NerdWallet to maintain its growing database of financial advisers, many of which do not have any compensation arrangement with NerdWallet. It also helps support NerdWallet to do its research and stay up-to-date on the latest news and offerings for individuals. Please refer to Item 5 (Fees and Compensation) for the list of Advisers who compensate NerdWallet for referring individuals to them.

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

### Code of Ethics

NerdWallet has adopted a code of ethics (the “Code of Ethics”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 which requires NerdWallet and its employees to put the interests of its clients before its own interests and to act honestly and fairly in all respects in its dealings with its clients. The Code of Ethics also requires all employees to comply with applicable federal securities laws.

The Code of Ethics also describes rules surrounding personal securities transactions. Under Rule 204A-1, certain provisions of the Code of Ethics apply only to NerdWallet employees who are considered “access persons.” These access persons are required to report certain personal securities transactions and holdings. The Code of Ethics also requires employees to pre-clear and report their business-related gifts and entertainment, and their outside business activities.

NerdWallet will not provide investment advice or service to any governmental entities. Nevertheless, the Code of Ethics requires the Firm’s employees to report their political contribution activities to NerdWallet’s Chief Compliance Officer.

Clients and prospective clients may obtain a copy of the Code of Ethics by contacting the Firm’s Chief Compliance Officer, Jan Edquilang, at (408) 772-6675.

## **Item 12. Brokerage Practices**

The Firm currently does not manage any assets, and it does not recommend specific securities or investments to individuals.

The Firm currently does not select broker-dealers for individuals, but does provide recommendations for broker-dealers that provide brokerage and custody services, as well as a wide range of other services, including access to specific types of investments. The Firm does not offer compensation for individual referrals from broker-dealers or other third parties. NerdWallet has an arrangement with certain financial service companies, investment advisers and broker-dealers that can pose material conflicts of interest with respect to Recommendations regarding broker-dealers. Please see Item 10 (Other Financial Industry Activities and Affiliations).

The Firm does not receive research or other products or services from a broker-dealer or any other third-party. The Firm currently does not participate in any soft dollar arrangements. The

Firm currently does not execute any individual trades, and is not a party to any directed brokerage arrangements.

### **Item 13. Review of Accounts**

The Firm currently does not manage any assets, and it does not recommend specific securities or investments to individuals. However, individual responses to NerdWallet's questions are reviewed and analyzed by the Firm's Users Operations team.

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

NerdWallet currently has no arrangement with any person or unaffiliated entity for referring clients to the Firm.

### **Item 15. Custody**

At present, NerdWallet does not recommend specific securities or investments to individuals, and it does not manage any client assets. The Firm does not accept custody of funds or securities as part of providing Recommendations to individuals.

### **Item 16. Investment Discretion**

The Firm does not manage any assets, and has no discretionary authority over any assets.

### **Item 17. Voting Client Securities**

NerdWallet does not have any authority to vote client securities, and does not participate in shareholder litigations, including, but not limited to, class-action lawsuits.

### **Item 18. Financial Information**

NerdWallet has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to provide investment services to current or prospective clients.