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**d/b/a: Ellevest**

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January 05, 2026

**FORM ADV PART 2A  
INVESTMENT ADVISORY BROCHURE**

This investment advisory brochure provides information about the qualifications and business practices of Ellevest, Inc. ("Ellevest" or the "Firm"), 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](mailto:support@ellevest.com) or 844-355-7100. 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](http://www.adviserinfo.sec.gov)

## Item 2 Summary of Material Changes

The following material changes have been made to the Brochure since the Annual Updating Amendment in March 2025:

- Items 4 and 5 have been updated to disclose Ellevest's Comprehensive Financial Planning Service and fees. Clients who are interested in this service will complete an agreement and work with a financial planner to complete a written financial plan. Ellevest uses AdvicePay, a third-party vendor, for electronic payment of the invoice(s) via Credit Card, Debit Card, and/or ACH. The client will have the option to be invoiced on a monthly, quarterly or semi-annual basis.
- The disclosures of Ellevest Global Intentional Impact Portfolios were removed as the portfolio is no longer being offered.
- Our discretionary assets under management were updated and the advisory service of providing educational workshops was added.
- We are deemed to have custody due to Standing Letters of Authorization. However, we are not subject to a surprise audit as we comply with the conditions of the safe harbor provision.

Other changes have been made to this Brochure, some of which enhance existing disclosures, although we do not consider such changes to be material.

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## Item 4 Advisory Business

Ellevest, Inc. ("Ellevest") is a Securities and Exchange Commission ("SEC") registered investment adviser dedicated to helping women plan for and invest to close the gender investment gap. Founded in November 2014, the Firm is led by CEO, Dr. Sylvia Kwan.

This Brochure describes the Private Wealth Management and Personal Wealth Management advisory services and Comprehensive Financial Planning service the Firm offers, as well as certain advisory and sub-advisory services. The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Ellevest and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Investment Services

Ellevest offers fee-based discretionary investment advisory management services tailored to the unique needs of women. Ellevest's Private Wealth Management advisory services are provided to higher net worth individual investors, trusts, foundations and other institutional investors. Ellevest's Personal Wealth Management advisory services are provided to individual investors seeking portfolio management and financial planning services. Ellevest specializes in managing client assets while seeking to reduce fees, current taxes, and investment risk through diversification. Ellevest does not engage in market timing, make active bets on certain asset or sector classes, or time the selection of individual securities for the purpose of pursuing excess returns.

To participate in Ellevest's Private Wealth Management or Personal Wealth Management investment advisory services, clients will provide information on their financial goals, ability to take risks, investment time horizon, liquidity needs and other relevant information. Based on the information provided by the client, Ellevest's Chief Investment Officer and Financial Advisors or their designees will work together to create an investment plan considering the client's needs and objectives. A client that elects to implement Ellevest's recommended investment plan will have her assets managed on a discretionary basis, subject to any limitations imposed by the client.

Ellevest will make investment selections from a wide range of investments, including, but not limited to, common and preferred stocks, bonds, municipal securities, government securities, cash and cash equivalents, mutual funds, exchange-traded funds ("ETFs"), unit investment trusts, hedge funds, private non-traded funds and investment vehicles and alternative investment products or investment options which may have liquidity restrictions and limitations. The alternative products are only available to qualified Ellevest Private Wealth Management clients, and will vary as to type, objective and risk. Thus, the investor should review the offering documents or other disclosure information carefully before an investment is made. These alternative products are typically available to investors who meet minimum net worth requirements and who can afford to make a substantial minimum investment. The investments vary as to when interests can be liquidated and thus are intended as long-term purchases.

In the future, Ellevest may also offer non-discretionary investment services.

### Sub-Advisory Services

As part of our Private Wealth Management services, Ellevest also provides recommendations of and will exercise discretion to utilize specific unaffiliated sub-advisers ("Sub-Adviser") to manage a Private Wealth Management client's account or portion of the assets of a client's account where suitable and acceptable to the client. Ellevest's Chief Investment Officer and Financial Advisors or their designees will work with the client to determine the investment strategy and will provide the Sub-Adviser instructions regarding the implementation and management of the strategy via an Investment Strategy Statement. Ellevest and the client will grant the Sub-Adviser access to the client's custodial accounts where the

investment assets are custodied in order to execute the strategy. Ellevest will periodically monitor the Sub-Advisor's management of the designated account assets for adherence to the client's investment strategy and designated benchmark.

While Ellevest will conduct operational and investment due diligence of any recommended Sub-Advisor, there is no guarantee that the Sub-Advisor utilized will achieve the recommended investment strategy or a client's objectives. Ellevest will provide clients a copy of the Sub-Advisor's Form ADV Part 2A that describes the Sub-Advisor's specific services. Clients should review this document to understand such services.

Clients will enter into a written advisory agreement with Ellevest to participate in Ellevest's Private Wealth Management investment advisory services. Clients do not enter into a separate agreement with the Sub-Advisor to participate in sub-advisory services. Should a client elect to utilize a Sub-Advisor recommended by Ellevest, Ellevest will work directly with the Sub-Advisor on the client's behalf. Ellevest retains the discretion to select the Sub-Advisor.

Ellevest also requires that clients open a brokerage and custody account with Charles Schwab & Co., Inc. ("Schwab" or "custodian"), an SEC registered broker-dealer. Schwab will provide trade execution, clearance, settlement, custodial, recordkeeping and reporting services.

### **Schwab Donor Advised Fund Advisory Services**

Ellevest participates as an investment adviser in the Schwab Charitable program for donor advised fund accounts that assists clients with their philanthropic goals. Schwab Charitable is an independent nonprofit organization. The donor-advised fund account program allows clients to contribute cash or other assets to a charitable account to realize potential tax benefits and support their selected charities over time. Following regulations regarding charitable contributions set forth in the Internal Revenue Code of 1986, as amended, Schwab Charitable requires that contributions become the sole property of Schwab Charitable. Thus, all contributions accepted by Schwab Charitable are both irrevocable and unconditional. Once contributions are accepted, they are not refundable and become assets owned and held by Schwab Charitable. Moreover, they are subject to the exclusive legal authority and control of Schwab Charitable as to their use and distribution.

Clients with an account size of \$250,000 or more may designate Ellevest to manage their donor advised fund account contributions. Ellevest charges a separate advisory fee for providing investment advisory services with respect to the contributions. Ellevest will facilitate the opening and investment management of the donor-advised fund account in accordance with Schwab Charitable Investment Policy Guidelines. Ellevest receives no other compensation or benefits from Schwab Charitable related to this arrangement.

Ellevest does not provide tax, legal or accounting advice. Before engaging in any charitable giving program, clients should review carefully the terms and conditions of the Schwab Charitable program that is accessible from Schwab and consult with their tax, legal, and accounting advisors regarding their individual situation.

### **Schwab Pledged Account Advisory Services**

In limited circumstances, Ellevest may permit eligible clients, at their discretion, to enter into a Pledged Asset Line Agreement ("PAL Agreement") with Charles Schwab Bank for an uncommitted revolving non-purpose securities-based line of credit ("PAL") through Schwab.

Ellevest will provide discretionary investment advisory services solely with respect to assets held in one or more custodial accounts established by the client at Schwab and any Schwab Pledged Account in accordance with Client's written investment plan. Ellevest does not charge a separate advisory fee for

this arrangement. The client will be responsible for all commissions, transaction and account fees, and charges associated with the PAL, including, without limitation, asset-based fees for brokerage, custody, trade execution and related services, as well as fees that include Schwab's services.

Ellevest does not receive additional compensation or benefits from Schwab if a client enters into this arrangement.

Ellevest does not provide tax, legal or accounting advice. Before engaging in this program, clients are advised to review carefully the terms and conditions of the Schwab Pledged Asset Line program that is accessible from Schwab and consult with their tax, legal, and accounting advisors regarding their individual situation.

In the future, Ellevest may also offer non-discretionary investment advisory services to clients at Schwab and to Schwab Pledged Accounts.

### **First Citizens Line of Credit**

In limited circumstances, Ellevest may permit eligible clients, at their discretion, to enter into a Non-purpose securities based line of credit ("Line of Credit") with First Citizens Bank. In connection with this Line of Credit, the client will grant First Citizens Bank a security interest in one or more Schwab brokerage accounts (Schwab Pledged Account).

Ellevest will provide discretionary investment advisory services solely with respect to assets held in one or more custodial accounts established by the client at Schwab and any Schwab Pledged Account in accordance with the client's written investment plan. Ellevest does not charge a separate advisory fee for this arrangement. The client will be responsible for all commissions, transaction and account fees, and charges associated with the Line of Credit, including, without limitation, asset-based fees for brokerage, custody, trade execution and related services, as well as fees that include Schwab's services. Ellevest does not receive additional compensation or benefits from First Citizens if a client enters into this arrangement.

Ellevest does not provide tax, legal or accounting advice. Before engaging in this program, clients are advised to carefully review the terms and conditions of the First Citizens Line of Credit and Schwab Pledged Asset Line program and consult with their tax, legal, and accounting advisors regarding their individual situation.

In the future, Ellevest may also offer non-discretionary investment advisory services to clients at First Citizens and to Schwab Pledged Accounts.

### **Comprehensive Financial Planning Services**

Ellevest's Comprehensive Financial Planning helps clients understand their current financial situation and assists the client in prioritizing and developing a plan to help achieve their financial goals. For Comprehensive Financial Planning, clients will sign a financial planning agreement and work one-on-one with a CFP® at our firm. The financial planning engagement is for one year and is renewable annually. As part of the comprehensive plan, our financial planner will schedule a meeting with you to gather your financial information and history and discuss your retirement and financial goals and values around money. Clients will provide information to help complete the following areas of analysis: net worth, cash flow, insurance, employee benefits, retirement planning, investments, college planning and estate planning. Your financial planner will prepare a comprehensive, personalized report with recommendations for steps to be taken to assist you as you work toward achieving your financial goals. Every effort will be made to provide the personalized report within the first six months of the engagement. The financial planner will periodically meet with you through the remainder of the engagement to monitor the plan, recommend any changes and ensure the plan is up to date. The financial planner will be available to the client for support throughout the engagement.

The written plan is based on your financial situation at the time and on the financial information you disclosed to Ellevest. You need to be aware that certain assumptions will be made with respect to interest and inflation rates, as well as the use of past trends and performance of the market and economy. Fees for comprehensive financial planning are separate from financial planning consulting services offered to Ellevest Private Wealth Management and Personal Wealth Management clients.

Upon early termination of the agreement without completion and delivery of a written plan any prepaid or unearned fees will be refunded to the client, and no further fees will be charged/invoiced.

### **Financial Planning Consulting Services**

Ellevest offers financial planning consulting services to Ellevest Private Wealth Management and Personal Wealth Management clients at no additional charge. However, more complex investment plans or financial planning service requests may incur a planning fee. The planning fee is negotiated in advance with the client. Financial planning services are also offered to individuals who are not Ellevest Private Wealth Management or Personal Wealth Management clients, for a planning fee as described in the section above. This service is designed for clients who have general financial planning questions and are seeking guidance in areas such as cash flow management, retirement, education funding, and employee benefits planning. Clients may elect to consult with a financial planner to address their financial planning questions. Sessions are customized based on a client's questions and consultation needs.

*Implementing Ellevest's Financial Planning Guidance:* It is the client's responsibility to determine if and how the guidance delivered in connection with Ellevest's financial planning consulting service should be implemented or otherwise followed. Clients should carefully consider all relevant factors in making these decisions, and we encourage clients to consult with their outside professional advisers such as legal counsel, accountant or tax professional regarding the legal or tax implications of a particular recommendation, strategy or investment before implementation of such strategy. Neither Ellevest, its employees or representatives provide tax or legal advice, and our financial planning consulting services are not intended to provide nor should it be construed as providing such advice.

### **Educational Seminars/Workshops**

In an effort to educate the public and our clients, Ellevest will conduct money management and financial planning educational workshops. Normally, these educational workshops are provided at no charge to the participants; however, depending on the circumstances, a fee might be charged to sponsors to help defray the expenditures of facilitating and customizing the event.

### **Investment Discretion**

Pursuant to any limitations that may be imposed by clients, Ellevest has discretionary authority to manage assets on behalf of clients who enter into the written advisory agreement with Ellevest. Discretionary trading authority permits Ellevest or if appointed, the Sub-Adviser for any sub-advised assets, to make investments in client accounts on their behalf and make ongoing changes where deemed necessary and appropriate. Those changes may include periodic rebalancing of asset classes when one or more asset classes have significantly increased or decreased in value. However, due to differences in how individual stocks, ETFs and mutual funds are traded and settled, there may be additional transition time or transactions needed to effect the portfolio best suited for the client's goal.

There may also be additional initial implementation time if an account is managed by a Sub-Adviser due to the time it may take to set-up the strategy and for the Sub-Adviser to execute the strategy. Transition time to a client's recommended portfolio may span multiple years or longer, for clients in certain situations, such as those with large existing positions in low-basis stock looking to minimize the realization of capital gains.

### **Investment Discretion for Schwab Charitable Donor Advised Funds Program**

Ellevest will have discretion with respect to investment and reinvestment of the assets in the donor

advised account with full power and authority to direct such purchases and sales as it may deem appropriate, subject to the Investment Guidelines established by Schwab Charitable.

### **Investment Discretion for Schwab Pledged Account**

Ellevest will have discretion with respect to the assets in the Schwab Pledged Account and such assets will be managed according to the Client's Investment Plan and subject to the terms of the Ellevest Client Agreement, unless otherwise specified.

### **IRA Rollover Recommendations**

Effective January 31, 2022 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2021-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from an ERISA account to an account that we manage or provide investment advice, because the assets increase our assets under management and our advisory fees. In contrast, we receive less or no compensation if assets remain in the current plan or are rolled over to another Company plan in which you may participate.

### **Assets Under Management**

Ellevest has the following assets under management:

<b>Discretionary Amount</b>	<b>Non-Discretionary Amount</b>	<b>Date Calculated</b>
\$1,012,582,923	0	6/30/2025



## Item 5 Fees and Compensation

### Fees for Non-Sub-Advised Account Arrangements

Ellevest requires a minimum aggregate account balance of \$1,000,000 for Private Wealth Management services, and \$500,000 for Personal Wealth Management services. There is no fee for Ellevest's financial planning consulting service so long as the minimum account balance is maintained. However, more complex investment plans or financial planning service requests may incur a planning fee. Such a fee will be negotiated in advance with the client.

There is no minimum account balance for clients to purchase financial planning services. Pricing for financial planning services only can be found on our website at [www.ellevest.com](http://www.ellevest.com).

Advisory Fees for Ellevest's advisory services vary depending on the particular investment services requested but are generally as set forth below. Clients decide whether and how to retain Ellevest based on their unique needs and circumstances. Ellevest reserves the right to negotiate different fees for certain clients than what is specified below. Negotiated fees may differ based on factors, including but not limited to, the type and size of the account, the historical and/or expected size and number of investments for the account and the related services to be provided to the client.

Ellevest's advisory fees are:

<b>Aggregate Account Balance</b>	<b>Annual Fee</b>
\$500,000 to \$1,000,000	125 basis points (1.25%) per year
\$1,000,001 to \$2,000,000	100 basis points (1.00%) per year
\$2,000,001 to \$3,000,000	95 basis points (0.95%) per year
\$3,000,001 to \$5,000,000	90 basis points (0.90%) per year
\$5,000,001 to \$7,000,000	80 basis points (0.80%) per year
\$7,000,001 to \$10,000,000	70 basis points (0.70%) per year
\$10,000,001 to \$15,000,000	65 basis points (0.65%) per year
\$15,000,001 to \$25,000,000	60 basis points (0.60%) per year
\$25,000,001 to \$50,000,000	55 basis points (0.55%) per year
\$50,000,001 to \$75,000,000	50 basis points (0.50%) per year
\$75,000,001 to \$100,000,000	40 basis points (0.40%) per year
\$100,000,001 and above	35 basis points (0.35%) per year

The Advisory Fee will be prorated and billed quarterly in arrears, based upon the average daily balance of the account at quarter end. In the event the written advisory agreement is terminated, the Advisory Fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the Advisory Fee is charged to the client.

Clients participating in Ellevest's Private Wealth Management and Personal Wealth Management programs will be charged fees by Schwab as broker-dealer or custodian including but not limited to asset-based fees, transaction fees, and custody fees. Charges for brokerage fees and custodial services are detailed in the brokerage agreement that clients enter into separately with Schwab. Ellevest may at its sole discretion, however, compensate clients for certain brokerage or third-party fees.

Clients generally authorize Ellevest to have Schwab deduct the Advisory Fee, as specified by Ellevest, directly from a client account, in accordance with applicable custody rules. It is the client's responsibility to review all statements received concerning her account and verify the accuracy of the calculation of the Advisory Fee. In the event an account does not include a cash balance adequate to pay the Advisory Fee, clients authorize Ellevest to determine which assets in the account will be sold, and to liquidate these assets, without notice to the client, to pay the Advisory Fee and any other fees due under the written advisory agreement. Payment of fees generally will be made first from client assets in cash, next

from the liquidation of cash equivalents, including shares of money market funds, and finally from the liquidation of other investments in the account.

### **Fees for Sub-Advised Account Arrangements**

#### **Ethic, Inc.**

Ethic, Inc., a Sub-Adviser recommended by Ellevest, requires a minimum account size of \$250,000 for the use of its sub-advised services, unless Sub-Adviser, in its sole discretion, agrees to a lesser amount. Ethic charges their own advisory fees for managing client assets allocated. Such fees will not exceed 0.30% per annum. The Management fee assessed for each Client will be based on the Adviser Aggregate Value (defined below) unless an individual Client's Client Account Value (defined below) provides for a lower Management Fee for that Client.

The Adviser Aggregate Value will be calculated at the end of the calendar quarter and will be based on the combined Client Account Values for all Clients for that quarter, as set forth on account records maintained by the applicable Custodians.

The Client Account Value will be calculated at the end of the calendar quarter and will be based on the average daily value of a Client's account value for that quarter, as set forth on account records maintained by the applicable Custodians. For the avoidance of doubt, the Client Account Value is based on the value of a single account for each Client and is not an aggregate value of all accounts held by a Client (e.g. not calculated at the household level).

The Management Fee shall be calculated by applying the annualized Management Fee pro rata to the Client Account Value. The Management Fee will be automatically debited by the custodian from each Client Account and remitted to the Sub-Adviser on a quarterly basis. Upon request, the Sub Adviser shall provide the Adviser with such further information as is reasonably requested regarding the calculation of the Management Fee.

<b>Breakpoint Table – Based on Adviser Aggregate Value</b>		<b>Management Fee</b>
<b>Adviser Aggregate Value</b>		
Up to \$100MM		0.30%
Between \$100MM and up to \$500MM		0.25%
\$500MM or more		0.20%
<b>Breakpoint Table – Based on Individual Client Account Value</b>		
<b>Client Account Value</b>		<b>Management Fee</b>
Up to \$20MM		0.30%
Between \$20MM and up to \$50MM		0.25%
\$50MM or more		0.20%

Schwab will automatically deduct Ethic's fees from client accounts and remit payment directly to the Ethic.

#### **AllianceBernstein L.P.**

AllianceBernstein L.P., a Sub-Adviser recommended by Ellevest, requires a minimum account size of \$250,000 for the use of its sub-advised services. AllianceBernstein charges their own advisory fees for managing client assets allocated. Such fees are based on a percentage of assets under management and would be charged in addition to Ellevest's fees. AllianceBernstein's fees are:

- 23 basis points (0.23%) per year

So, for example, a client with an account size of \$1,000,000 of which \$250,000 is managed by Ellevest and AllianceBernstein, would pay 100 basis points (1%) per year on \$1,000,000 to Ellevest and 0.23 basis points per year on \$250,000 to AllianceBernstein.

AllianceBernstein's fees will be calculated based upon the balance of the Client's Sub-Advised Assets at the end of the calendar quarter, as set forth on the account records maintained by the applicable Custodians. For the avoidance of doubt, the Client Account Value is based on the value of a single account for each Client and is not an aggregate value of all accounts held by a Client (e.g. not calculated at the household level). The applicable custodian will automatically deduct AllianceBernstein's fees from client accounts and remit payment directly to the AllianceBernstein.

### **Schwab Charitable Donor Advised Funds Program Fees**

Contributions made through the Schwab Charitable program for donor-advised fund accounts with Ellevest recommended as investment adviser, will be assessed fees based on Ellevest's advisory fee schedule above.

Should the asset level of the donor-advised fund fall below \$200,000 and remain below \$200,000, for one year, Ellevest will continue to assess its advisory fees as described above. However, if the donor advised account remains below \$200,000 for more than one year, it will no longer be eligible for management by Ellevest and must be reinvested according to Schwab Charitable program requirements.

Ellevest faces a conflict of interest in connection with the Schwab Charitable program to the extent it has an incentive to recommend the program in return for the fees it receives. Ellevest's investment advisory fees will be paid from the client's donor advised Schwab accounts quarterly in arrears. In any partial calendar quarter, the fee will be prorated, based on the number of days the account was open during the quarter.

Additionally, Schwab Charitable charges an administrative fee for its services, up to 60 basis points per annum, that is deducted from the client account quarterly based on the average account balance for the preceding quarter. Schwab Charitable may also debit an account for any Unrelated Business Income Tax liability generated by the account's assets or investment activities. If applicable, Schwab Charitable reserves a portion of assets in the account in an amount it believes sufficient to pay the tax liability. Ellevest complies with Schwab Charitable's Investment Policy Statement which prohibits investment in assets that may generate Unrelated Business Income without prior approval by Schwab Charitable.

Clients should consult Schwab for additional information regarding the administrative fees assessed by Schwab Charitable and with a qualified tax advisor to review the specific tax implications of donating assets that may generate Unrelated Business Income.

### **Schwab Pledged Asset Account Fees**

All assets in the Schwab Pledged Account shall be deemed to be Ellevest account assets for purposes of the assessment of Ellevest investment advisory fees as set forth in the Ellevest Client Agreement and the Fee Schedule for the entirety of a billing period notwithstanding any Schwab Action.

Ellevest does not charge a separate advisory fee for this arrangement. Client will be responsible for all commissions, transaction and account fees, and charges associated with the PAL, including, without limitation, asset-based fees for brokerage, custody, trade execution and related services, as well as fees that include Schwab's services.

Ellevest does not receive additional compensation or benefits from Schwab if a client enters into this arrangement.

Brokerage, Clearing and Service Provider Charges: Ellevest's fees do not cover charges imposed by Schwab as broker-dealer or custodian. Additional charges for brokerage fees and custodial services are detailed in the brokerage agreement that clients enter into separately with Schwab. Ellevest may at its sole discretion, however, offer to compensate a client for certain brokerage or third party fees. These fees include, but are not limited to, transaction charges, reporting charges (typically where the financial institution is required to send paper statements), custodian fees, margin costs, margin extension fees, safekeeping fees, termination fees, early redemption fees, transfer taxes, other taxes, wire transfers, electronic fund fees, bounced check fees, service fees, IRA fees, and underlying investment fees (including sales load and other operating expenses on a fund or other investment). For further information about brokerage costs, see the section entitled "Brokerage Practices." The prospectus or offering documents for mutual funds, ETFs, hedge funds, limited partnerships, REITs or other investments will detail other additional fees and charges assessed by the managers of those products.

Thus, when assets are invested in shares of mutual fund products, ETFs, hedge funds, annuities, UITs or REITs, clients will pay both the management fees to Ellevest for its services in connection with these investments and management and other fees paid to the mutual fund or other product. In addition, there may be tax effects relating to fund share redemptions or the cancellations of policies made by or on behalf of clients, as well as deferred sales charges or redemption fees where the investment positions are sold prior to the expiration of a specified holding period. No supervised person accepts compensation for the sale of securities or other investment products.

#### Direct Fee Debit of Ellevest's Fee

Clients authorize Ellevest and Schwab to deduct Ellevest's fees, and as relevant any Sub Advisory fees directly from their brokerage accounts. The custodian will determine fair market value for fee calculation purposes. However, certain alternative investments are valued by Ellevest using reasonable asset pricing methods. The custodian will deduct the fees and send statements to clients not less frequently than quarterly, detailing all account transactions, and fees, including all fees paid to Ellevest. It is the client's responsibility to verify the accuracy of such fee calculation.

#### **Comprehensive Financial Planning**

The comprehensive financial planning fee is a fixed annual amount of \$3,600. Clients will be invoiced through AdvicePay, a secure, third-party vendor, which allows electronic payments by Credit Card, Debit Card or ACH. Clients will determine whether they would like to be invoiced monthly, quarterly, or bi-annually. Ellevest does not have access to the information provided to AdvicePay. Ellevest has engaged AdvicePay so as not to have custody of client information. Fees for comprehensive financial planning are separate from financial planning consulting services offered to Ellevest Private Wealth Management and Personal Wealth Management clients.

A Client termination of their comprehensive financial planning agreement is effective upon Ellevest's receipt of client's written note to terminate. The client will be responsible for any time spent by Ellevest in providing advisory services or analyzing a client's situation. If the client terminates the agreement without receiving a completed financial plan report, the client will receive a refund of any unearned, prepaid comprehensive financial planning fee.

#### **Educational Seminars/Workshops**

Educational Seminars are generally offered free of charge to participants. However, depending on the circumstances, a fee may be charged to sponsors to help defray the expenditures of facilitating and customizing the event.

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

Ellevest does not charge any performance-based fees (that is, fees tied to the investment performance of a client's portfolio).

## Item 7 Types of Clients

Ellevest's investment advisory services are generally offered to individuals, pension and profit-sharing plans and charitable organizations. For Ellevest Private Wealth Management clients, there is a minimum account size of \$1,000,000, subject to reduction at Ellevest's sole discretion. For Ellevest Personal Wealth Management clients, there is a minimum account size of \$500,000, subject to reduction at Ellevest's sole discretion.

Ellevest requires a minimum account size of \$250,000 for a sub-advised account, unless Sub-Adviser, in its sole discretion, agrees to a lesser amount.

Ellevest participates as an investment adviser in the Schwab Charitable program for donor-advised fund accounts. Individuals with an account size of \$250,000 or more may designate Ellevest to manage their donor-advised fund account. However, should the asset level of the donor-advised fund fall below \$200,000 and remain below \$200,000 for more than one year, the donor-advised account will no longer be eligible for management by Ellevest and must be reinvested according to Schwab Charitable program requirements.

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

### Investment Strategy

Ellevest's investment strategy is personalized to a client's goal(s), time horizon, risk capacity and preferences, liquidity needs, if any, tax posture and current financial assets. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

### Methods of Analysis

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 overall portfolio risk through diversification. Using information provided by the client, Ellevest develops an asset allocation to meet the client's financial goals, considering her risk preferences, investment horizon, income needs, and current global market conditions.

Ellevest's investment selection may include individual debt instruments, mutual funds, ETFs, individual equities, cash and cash equivalents, closed-end funds, partnerships, and private and illiquid investments. Different investment vehicles are 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 a client's investment objectives or provide a given level of income or return. Investing in securities involves risk of loss that clients must be prepared to bear.

**Forecasts.** Ellevest may offer forecasts or projections of investment outcomes in its investment proposals. 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 underlying assumptions and may be materially impacted by a client's failure to update their personal and financial information.

**Tax Management.** For select taxable accounts for Private Wealth Management clients, Ellevest seeks to implement tax-minimization techniques such as deferring capital gains when prudent and realizing losses when the tax benefits outweigh the costs of transacting. When transacting across multiple accounts managed by Ellevest, we will make best efforts to avoid wash sales; we may not, however, have knowledge of transactions in accounts not managed by Ellevest or accounts managed by the Sub-Adviser. Ellevest does not render tax advice to clients, and therefore clients should consult their own tax advisors for specific guidance in this area.

The Sub-Adviser may also offer tax optimization services as part of a portfolio transition strategy for those clients with accounts managed by the Sub-Adviser.

Clients electing Ellevest's Personal Wealth Management Program will be transitioned to Ellevest's recommended portfolios without regard to any tax consequences, both at inception and on an ongoing basis.

**Rebalancing and Ongoing Management.** As the value of a client's investments fluctuate, her portfolio can diverge from her desired target asset allocation. Rebalancing, the practice of adjusting a client's portfolio back to its original desired asset allocation, occurs when needed, as determined by Ellevest. Ellevest does not rebalance client accounts automatically on a quarterly or other consistent periodic basis. We monitor the client's portfolio and rebalance when necessary.

If applicable, the Sub-Adviser will rebalance as set forth in the Investment Strategy Statement in order to manage and maintain the respective strategy. Ellevest will monitor the Sub-Adviser's compliance with the applicable investment policies and guidelines.

#### **Donor Advised Funds**

Ellevest participates as an investment adviser in the Schwab Charitable program for donor advised fund accounts. Ellevest will manage the donor advised accounts in compliance with Schwab Charitable Investment Policy Statement and guidelines established for the management and oversight of the Schwab Charitable investment assets. Ellevest will work with the donor advised fund account holder to establish the recommended investment objectives and strategy for the portfolio, considering the account holder's granting plans, target returns, risk tolerance and other unique considerations, consistent with the Investment Policy guidelines.

#### **Values Aligned/Impact Strategy**

For clients with specific Values Aligned/impact preferences, Ellevest may recommend sustainable mutual funds, ETFs, privately held assets, separately managed accounts, and/or the advisory services of a Sub-Advisor. These investments are designed to match both the client's values and impact preferences and the risk and return characteristics of similar investments in its asset class. Ellevest may not be successful in finding investments in every asset class with the appropriate return and risk characteristics and impact focus desired by the client.

Values Aligned/impact strategies, including those managed by Ellevest and any Sub-Advisor, rely primarily on data that may be self-reported, gathered by third parties or estimated, in the case of missing data. Because no global standards for measuring certain sustainable and impact factors have been established, the quality and consistency of such data can vary widely. In addition, different underlying methodologies may be used to exclude, rank and/or evaluate sustainable and/or social factors of companies, leading to different conclusions and/or investment performance. Ellevest and any Sub-Advisor selected by Ellevest will exercise best efforts to achieve both the client's values aligned/impact and financial goals through the implementation of specific strategies but may not be successful in achieving either. Investment returns from strategies with a designated focus, or strategies that exclude certain sectors of the market may differ from general market returns. For example, an investment strategy that excludes fossil fuels will not participate in the returns from fossil fuel investments, which

are usually included as part of a general investment strategy intended to generate market returns.

### **Risk of Loss**

Investing in financial markets involves risk, including the potential loss of principal. This is a risk borne by the client. Ellevest constructs globally diversified portfolios with allocations across multiple asset categories. This asset category diversification is intended to reduce the volatility in a client's investment portfolio when compared to a single asset category, such as large cap growth stocks. While a diversified investment portfolio, including a portfolio of investment products representing different asset categories, can mitigate some risks, it does not and cannot prevent possible loss. The performance of Ellevest's recommendations and/or investment decisions depend upon market movements and the combination of asset classes selected by Ellevest. There can be no assurance that a client will achieve her goals or positive investment performance over any period of time.

While it is not possible to enumerate all possible risks, below are some of the common factors that can produce a loss in a client's account and/or in a specific investment product, asset category or even in all asset categories.

- **Market Risk:** The price of a security, bond, or mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Price Volatility:** The price of an investment product's shares may fluctuate, even significantly, in a short period of time.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Category or Style Risk:** During various periods of time, one category or style may underperform or outperform other categories and styles.
- **Tracking Risk:** Ellevest's traditional investments may be designed to capture general market returns using low-cost ETFs, however there is the risk that the ETFs will not properly track the benchmark index.
- **Impact Risk:** Impact investments may focus on certain environmental, social, governance or women's focused investment characteristics. Impact investments may exclude, overweight, or underweight some sectors of the market, which may result in investment returns different from general market returns.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline, and the market value of any mutual fund and/or exchange traded fund holding those bonds.
- **Inflation Risk:** When any type of inflation is present, purchasing power may be eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Sub-Adviser Risk:** The success of an account's investment through sub-advisers is subject to a variety of risks, including those related to the quality of the management of the sub-adviser and the ability of such management to develop and maintain a successful business enterprise, and the ability of the sub-adviser to successfully execute, operate, and manage the intended strategy at or below the target tracking error.

In addition, Ellevest's investments may focus on certain market sections or classes of securities and carry additional risks. For example, clients should be aware of the following:

- Equity strategies, including investing in individual companies, involve investments in common stocks and are subject to the volatility and individual risks associated with those stocks. Exchange Traded Funds (ETFs) are designed to track the performance of a benchmark index. Shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. 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. 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. Also, shareholders are 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.
- Real estate investment trusts or funds are subject to risks of the specific commercial or housing market in which the assets are invested, as well as interest rate risk.
- Small Cap and Emerging Market securities tend to be more volatile relative to the overall market.
- Bonds may "guarantee" return of principal if held to maturity, but any guarantee remains subject to the creditworthiness of the guarantor and, prior to maturity, the bond remains subject to interest rate, inflation and credit risks.
- Bond funds of all types are subject to the various risks of the underlying fixed income instruments in the fund, and there is no fixed maturity date.
- High Yield bonds expose the investor to investments in lower credit quality securities and hence risk of default and higher volatility.
- Tax-Exempt bonds may or may not provide returns higher than the after-tax returns of taxable bonds, so clients should consider their tax bracket and state of residence.
- International/Global/Foreign securities expose the investor to currency risk and political, social and economic risks of the countries in which the securities are domiciled, in addition to the equity or debt nature of the securities involved.
- Options strategies introduce additional elements of complexity regarding timing of market decisions and liquidity of positions.
- Alternatives including, but not limited to, real estate investment trusts (REITs), private real estate funds, private debt, renewable energy assets and commodities may be purchased within client accounts for clients who meet certain criteria and for whom such securities are suitable.
- Investing in these funds involves additional risk including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices, the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing tax information. You should be aware that these funds have no secondary trading market and should be considered illiquid for the full term of the fund.

## Item 9 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.



## Item 10 Other Financial Industry Activities and Affiliations

### *SimplySmart Asset Management and Grinnell College*

The Firm's CEO and Chief Investment Officer, Dr. Sylvia S. Kwan, is the Chief Investment Officer and majority owner of SimplySmart Asset Management ("SimplySmart"), a California registered investment adviser. Ms. Kwan works full-time at Ellevest. Although her duties at SimplySmart include business and portfolio management, her service to SimplySmart is not expected to conflict with her obligations to Ellevest. Additionally, Ms. Kwan is a member of Exit 182 Group LLC (formerly the Investment Committee) of Grinnell College where she shares responsibility for fiduciary oversight of the College's endowment. These activities do not conflict with her obligations to Ellevest.

### *Astia*

Astia Fund I is offered to eligible Ellevest clients. Astia Angels, a global network of angel investors sharing common executive leadership with Astia Fund, holds a minority equity interest in Ellevest.

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

### **Code of Ethics**

Ellevest has adopted a Code of Ethics ("Code") as required by the applicable securities laws. The Code establishes and reinforces a standard of business conduct expected of its supervised persons and provides specific guidance related to managing conflicts of interests. 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. To request a copy of the Code, please contact Ellevest at [support@ellevest.com](mailto:support@ellevest.com) or write to Ellevest at 228 Park Ave S, PMB 94934, New York, NY 10003, Attention: Compliance.

### **Participation or Interest in Client Trading and Personal Trading**

Ellevest and related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that Ellevest or a related person recommends to clients.

Ellevest and related persons may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that Ellevest or a related person buys or sells the same securities for Ellevest's own (or the related person's own) account. For instance, Ellevest access persons may purchase securities for their personal account that are contemporaneously recommended for clients.

## Item 12 Brokerage Practices

### **Broker Selection**

We seek to use a broker who will execute transactions on terms that are overall most advantageous under the circumstances. We consider a wide range of factors, including these:

- Capability to execute, clear, and settle trades (buy and sell securities for a client's account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other

- fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit Ellevest, as discussed below

In light of these factors, we recommend the brokerage and custodial services of Charles Schwab & Co., Inc. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account Custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Best Execution**

Ellevest's use of brokers will comply with the Firm's duty to seek "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 the broker's services described above. Ellevest recommends that clients open accounts at Schwab under this program, but clients can designate or select a different broker for trade execution.

Sub-Adviser will execute and allocate transactions for client accounts consistent with Sub-Adviser's obligation under applicable law and as described in Sub-Adviser's Form ADV Part 2A.

### **Trade Away**

Trades made for Ellevest clients will incur the costs of brokerage commissions/ticket charges for transactions executed, as well as charges relating to the settlement, clearance, or custody of securities in an account. Clients will also incur all fees and costs imposed directly by a mutual fund, index fund, private fund, ETF or other investment, which are disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, commissions for trades executed away from the primary broker, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

We may choose to execute trades with another broker-dealer from Schwab ("trade away") if we reasonably believe that such other broker-dealer can obtain a more favorable execution under the circumstances, and it is in our clients' best interest to do so. This practice may result in additional commissions and other fees for clients. Broker-dealers executing trades may charge fees that include commissions, markups, markdowns or "spreads" paid to market makers. These fees are typically embedded into the price of the security and will be paid by the client.

### **Products and Services Available to Ellevest From Schwab**

Schwab provides our clients and us with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. The availability

of Schwab's products and services to us is not based on our giving particular investment advice, such as buying particular securities for our clients.

**Schwab Services That May Benefit Clients:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

**Schwab Services That May Not Directly Benefit Clients:** Schwab makes available to us other products and services that benefit Ellevest but may not directly benefit clients or client accounts. These products and services assist Ellevest in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. We do not necessarily seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits generated. In addition to investment research, Schwab also makes available software and other technology that: provide access to client account data (such as duplicate trade confirmations and account statements); facilitate trade execution and allocate aggregated trade orders for multiple client accounts; provide pricing and other market data; facilitate payment of our fees from our clients' accounts; and assist with back-office functions, recordkeeping, and client reporting. It is our practice to seek to direct clients to use Schwab for their brokerage needs, in part, as a result of the soft dollar benefits received. We may thus have an incentive to select or recommend Schwab based on our interest in receiving its research or other products and services, rather than on our client's interest in receiving most favorable execution.

**Services That Generally Benefit Only Ellevest:** Schwab offers other services intended to help Ellevest manage and further develop its business enterprise. These services include educational conferences and events; technology, compliance, legal, and business consulting; publications and conferences on practice management and business succession; and access to employee benefits providers, human capital consultants, and insurance providers. Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Ellevest. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide Ellevest with other benefits such as occasional business entertainment of our personnel.

**Ellevest's Interest in Schwab's Services:** Ellevest has entered into an agreement with Schwab Advisor Services. Ellevest believes that its selection of Schwab as custodian and broker is in the best interests of our clients. We perform periodic reviews of Schwab's custodial and trade execution services, as well as that of any other custodians utilized (if applicable), to verify the quality of those services and that the fees paid by clients are comparable to similar custodians and brokerages.

#### **Sub-Adviser's Use of Soft-Dollar Benefits**

Sub-Adviser will enter into soft-dollar arrangements consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended and as described in Sub-Adviser's Form ADV Part 2A.

#### **Directed Brokerage**

In an unusual case, a client may instruct Ellevest to use one or more particular brokers for the transactions in their account. If a client chooses to direct Ellevest to use a particular broker, this will prevent us from aggregating trades with other client accounts and from effectively negotiating brokerage commissions on their behalf. This practice may also prevent our Firm from obtaining a more favorable net price and execution. Thus, when seeking to direct brokerage business, a client should consider the commission expenses, execution, clearance and settlement capabilities that they will obtain through their broker in comparison to those that we would otherwise obtain for them. We encourage clients to

contact us to discuss their available alternatives.

### **Trade Aggregation**

When Ellevest or the Sub-Adviser considers it to be in your best interest, we may, but are not required to, aggregate your order for the sale or purchase of securities for your account with orders for other clients. Under this approach, the transactions may be averaged as to the price and will be allocated among our clients in proportion to the purchase and sale orders placed for each client account.

### **Trade Errors**

Consistent with its fiduciary duties, Ellevest's policy is to exercise care in implementing investment transactions for client accounts. Ellevest employs operational oversight practices to monitor trade errors of trades that it or the Sub-Adviser implements on behalf of client accounts.

Under Ellevest's policy, a trade error will be researched to determine whether clients were economically harmed as a result of the error and rectified as soon as is practical.

## **Item 13 Review of Accounts**

Ellevest monitors client accounts on an ongoing basis to identify situations that may warrant a more detailed review or a specific action on behalf of a client. Such reviews include, but are not necessarily limited to, suitability and inactivity. Additionally, Ellevest will contact clients on at least an annual basis to ask if there have been any changes to their financial situation and investment objectives, and to remind them to update their information. Reviews are generally conducted under the supervision of the firm's Chief Investment Officer.

If so agreed, Ellevest may also provide clients with written periodic performance reports that include relevant portfolio information such as asset allocation, account transactions, securities positions, the fair market value of investments in client portfolios and investment performance for the period. Ellevest does not verify performance data provided to it by third parties with the exception of the calculation methods and the related account holdings shown.

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

Ellevest does not compensate any person or entity, directly or indirectly for client referrals. Ellevest does not receive other compensation associated with its clients' accounts, in addition to its advisory fees.

## **Item 15 Custody**

Ellevest does not maintain physical custody of client assets that we manage. Rather, client assets are held in an account with a "qualified custodian." However, we are technically deemed to have custody of client assets since under our written investment advisory agreements with clients, clients authorize us to instruct the custodian to deduct Ellevest's advisory fees directly from their accounts. While Ellevest instructs the custodian to withdraw its fees, the custodian maintains actual custody of client assets.

Clients will receive account statements from the custodian at least quarterly, which will reflect the withdrawal of any fees. All clients are advised to review their account statements promptly to confirm the accuracy of the information contained. Should discrepancies or errors be found, clients should contact Ellevest or the custodian directly.

### **Standing Letters of Authorization**

Ellevest, or Advisory Representatives, can effect wire or move money transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for

each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third-party wire or move money transfers has access to the client's assets and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as the following criteria are met.

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Ellevest complies with the conditions of the safe harbor provisions and is therefore exempt from the annual surprise exam requirement for Advisers that have custody.

### **Donor Advised Fund Asset Custody**

Ellevest has entered into an Investment Advisory Agreement with Schwab Charitable to provide advice as to the investment of certain Schwab Charitable assets. This Investment Advisory Agreement requires that all assets within donor-advised fund accounts excluding private investment funds must be held in custody at Schwab.

## **Item 16 Investment Discretion**

Pursuant to a written investment advisory agreement, Ellevest has discretionary authority to manage securities on behalf of clients, and clients have the ability to place restrictions on such authority. If the requested restriction is so burdensome as to be unreasonable, Ellevest would likely refuse to accept the restriction and the client.

## **Item 17 Voting Client Securities**

Sub-Advised Assets (Ethic Securities): Ellevest has assumed the authority to vote on behalf of clients who have assets sub-advised by Ethic, Inc ("Ethic"). Ellevest has delegated this authority to the Sub-Adviser, Ethic, and Ethic will vote proxies for securities that are Ethic Sub-Advised Assets utilizing a sustainability focused proxy voting policy. Clients may obtain a copy of Ethic's current voting methods upon request.

Ellevest will instruct the Custodian to forward promptly to the Sub-Adviser, Ethic, copies of all proxies and shareholder communications relating to securities in your Account that are Ethic Sub-Advised Assets (other than materials relating to legal proceedings, including bankruptcies or class actions, or corporate actions involving securities that are Ethic Sub-Advised Assets). Client agrees that neither Ellevest nor the Sub-Adviser, Ethic, will be responsible or liable for failing to vote any proxies where it has not received such proxies or related shareholder communications from either the Client or the Custodian on a timely basis. Neither Ellevest nor the Sub-Adviser, Ethic, will be obligated to render advice or take any action on

behalf of Client with respect to securities or other investments that are Ethic Sub-Advised Assets, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies or class actions.

## **Item 18 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.

## **Item 19 Additional Information**

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost

structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.

- b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 73.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.