The Ellevest Difference

An Intentional, Transparent Approach to Private Wealth Management

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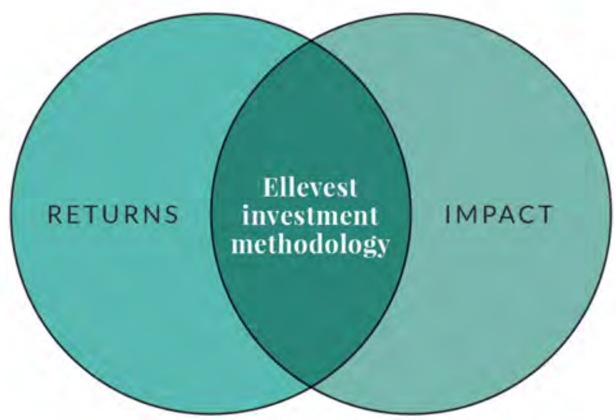
We built Ellevest Private Wealth Management for investors who value an intentional, transparent approach to wealth management, and personalized solutions designed to achieve both investment and impact returns. As a fiduciary, our investment philosophy is, above all, client-centered and collaborative.

First and foremost, we listen. We want to discover and understand your financial goals, your liquidity needs, your risk capacity, your time horizon, the impact you want your money to have, and other considerations that are unique and important to you. Then we use that understanding to invest your assets with intention by creating globally diversified, cost-aware investment strategies with risk and return characteristics built to help you achieve your financial goals.



Our private wealth practice was founded on the belief that clients can invest to achieve *both* financial and social returns, and we are excited to share with you what we do.

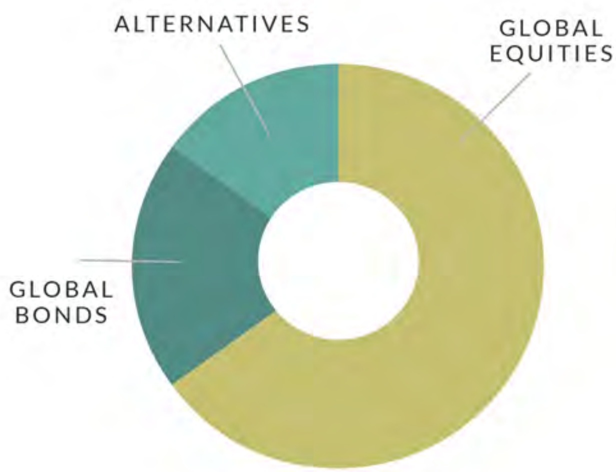
Our Investment Methodology

Our approach for building a strategic asset allocation and selecting investments is based on modern portfolio theory,[1] internal and third-party research, and best practices — like diversification, risk management, cost control, and tax efficiency — that have historically led to successful investing outcomes over the long term.[2] We don't spend time or energy on activities that have been shown to yield mediocre or poor results, such as predicting or timing the direction of the markets or pursuing tactical strategies (ie, making short-term bets).[3]

We believe that clients' portfolios should be well diversified across global equities, global bonds, and alternatives carefully selected for their potential to generate returns and lower overall portfolio risk. This diversification strategy is designed to generate

[1] Pioneered by Harry Markowitz (Nobel prize winning economist), modern portfolio theory is a framework for combining different asset classes to maximize return for a given level of risk.
[2] https://bit.ly/2uBz7vF
[3] https://nyti.ms/2romClx

differentiated sources of returns that have the potential to perform under varying economic conditions.



For security selection, we combine a passive and active approach. Our passive approach seeks market returns at low cost. Our active approach pursues above-market returns through the selection of both **public investments** and **private alternatives**. We select public investments with characteristics that research has shown to positively affect long-term performance historically. We choose private alternatives with unique and differentiated strategies with low correlation[4] to public markets.

We believe that one of our key strengths is our sourcing, diligence, research, and intentional selection of investments, particularly those with positive social impact. Research has shown that investments with high standards for environmental, social, and governance (ESG) and gender and racial diversity have historically had the kind of positive effect on performance that we seek.[5] We therefore choose to spend our research efforts discovering unique investment strategies that align with this philosophy. These investments are managed by seasoned managers with strong track records of execution with the strategy.

We believe that the investments we offer on our platform have the potential to not only enhance portfolio returns, but also to provide the positive and intentional impact our clients seek.

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[4] Correlation is a statistic that measures the degree to which two variables move in relation to each other. Two variables that move in sync have a high correlation, and two variables that move differently from one another have low correlation.

[5] https://bit.ly/2vrA7SZ

Global Equities

The primary role of global equities in a diversified portfolio is to provide long-term growth and capital appreciation. In collaboration with Morningstar Investment Management, LLC, a global investment research firm, we develop proprietary strategic asset allocations based on forward-looking capital market assumptions, as well as historical and current market conditions and asset class returns.

At a high level, our current strategic asset allocations tend to favor value over growth stocks and US stocks over international, compared with global market capitalizations. Our capital market assumptions and strategic asset allocations are updated at least annually and are subject to change as market conditions and the relative values of asset classes change.

Research shows that a passive, low-cost investing approach for global equities has historically outperformed market timing investment strategies and active stock selection based on analyses that predict how specific companies or industries may perform in the future.[6] But there is growing research showing that companies with more diverse teams and practices that meet higher governance and environmental standards have historically achieved superior financial performance relative to peers.[7] We therefore believe that actively integrating diversity, governance, and environmental criteria into the investment selection process — while mindfully tracking close to a market benchmark — can achieve competitive returns, potentially with less risk.

While much of this research is new, we believe it's clear that the potential outperformance and risk mitigation generated by these characteristics are real and sustainable in the long term. So we intentionally select both mutual funds and exchange-traded funds (ETFs) — and, where suitable, individual securities — that demonstrate the superior sustainability characteristics that, according to this research, may lead to higher financial performance relative to peers.[8]

In short, rather than pursuing higher returns (usually with accompanying higher risk) through traditional active management methods and trying to predict market

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[6] https://bit.ly/2sAUTOK
[7] "How a Diverse Workforce Can Help Performance." Barron's. January 7, 2019; https://bit.ly/36edmPH; https://mck.co/2sQE56s; https://bit.ly/2RwEUM2.
[8] "Good for the Planet, Good for Stocks." Barron's. August 19, 2019.

behavior, we seek higher returns — and lower risk — by focusing on governance and sustainability factors that history has shown to generate better financial results.[9]

Equity and Impact: The Ellevest Intentional Impact Portfolios

The Ellevest Intentional Impact portfolios are customized portfolios of individual US and international securities designed to track closely to a benchmark but outperform on gender and racial inclusion; diversity, governance, and environmental standards; and other sustainability factors.[10] They were built to look at both gender and race as factors, because we know that we can't fully support women's equality without also being anti-racist.

The Ellevest Intentional Impact strategy was specifically constructed to invest in individual companies that perform better than their peers in certain focus areas that support and benefit women and Black, Latinx, Indigenous, and other people of color and screen out companies with products, policies, and practices that may harm or exclude them. The focus areas we use to determine whether an investment is appropriate for Ellevest Intentional Impact portfolios include not only leadership and equal pay, but also other factors that impact women and people of color disproportionately, as shown in the table below.[11]

[9] https://bit.ly/39q0Cab
[10] Please see the disclosures section of this paper for details and risks associated with Ellevest Intentional Impact portfolios.
[11] Please see the disclosures section of this paper for research supporting the claims made in the description of each focus area.

Focus Area	Description
Workplace Diversity	Companies with poor diversity practices that perpetuate existing inequalities and create negative community impacts. Diversity and inclusion policies are particularly important to achieve gender equality in the workplace. In the United States, the gender wage gap is larger for Black, Latinx, and Indigenous women than for white women.
Human Rights and Community	Companies that operate in countries with controversial regimes or restrict access to basic services — and companies that operate private prisons or rely on forced labor. Women are disproportionately affected by human rights crises around the world. Disadvantaged groups, including racial minorities, are especially vulnerable to human rights infringements
Exploitative Products	Companies that rely on exploitative products and services like tobacco or predatory loans. Women are targeted for marketing. of these products. Women and Black people make up a disproportionate share of payday lending customers. Predatory lending disproportionately impacts Black and Latinx communities, with lending discrimination on mortgages currently costing Black and Latinx families $765 million in extra interest per year. Meanwhile, Black Americans are more likely to die from smoking-related illnesses than are white Americans.
Firearms	Companies that produce and sell firearms. Black Americans are disproportionately likely to be victims of gun violence in the United States. Firearms also play a significant role in deaths due to domestic violence.
Excessive Remuneration	Companies with weak pay structures and companies that incentivize short-term performance at the expense of long-term financial health. Gaps between the highest-paid executives and the average worker salary are associated with a country's income inequality, which strongly impacts Black workers.
Waste	Companies that inadequately manage their toxic waste, e-waste, packaging material waste, and air pollution, potentially causing negative health and environmental impacts on the communities they serve. Along with greater exposure to overall health risks associated with hazardous waste, women also face pregnancy risks. Air pollution disproportionately affects vulnerable communities, including Black, Latinx, and Indigenous communities, and those communities are targeted for hazardous waste sites.
Greenhouse Gas Emissions	Companies that emit substantial volumes of greenhouse gases, either through the combustion of fuels in company operations or through purchased electricity, as well as companies that are inefficient with their energy usage — thereby contributing to global warming and other ecosystem impacts. The UN has reported that climate change disproportionately affects women. The impacts of climate change are also expected to be most acutely felt by people of color in Africa, Southeast Asia, and Latin America.

Water	Companies that produce water pollutants that may harm ecosystems and have negative health impacts on humans and animals. Women bear greater responsibility for water collection worldwide, leaving them more vulnerable to health risks. There are racial and ethnic disparities in access to clean water globally. In the United States, minority communities bear disproportionate health risks as a result of disparities in access to safe and reliable drinking water.
Product Quality and Safety	Companies with product safety concerns that may be at risk of harming consumers, incurring fines, or losing market confidence. Women are affected by safety concerns when products are not designed for them, and are vulnerable to data security issues in particular due to risks of harassment. Likewise, personal data from vulnerable groups, including racial and ethnic minorities, can inform discriminatory practices like voter suppression, digital redlining, and targeting job ads away from Black people.
Ethics and Fraud	Companies with poor accounting practices, internal controls, and ethics records. Wage theft is a form of accounting fraud perpetrated disproportionately against disadvantaged groups, including Black and Latinx workers in the United States. Women are more frequently impacted by wage theft and fraud.
Working Conditions	Companies with poor working conditions that may put their workers in physical jeopardy, resulting in high risk of productivity loss, labor disputes, and regulatory penalties. Poor working conditions disproportionately affect women. In the United States, Black and Latinx workers are disproportionately likely to suffer workplace injuries.
Labor Relations	Companies with poor labor relations practices that fail to adequately engage with their workforce and face risks from low worker retention, labor unrest, and work stoppages. Good labor practices can help equalize the gender pay gap. Poor labor relations practices can put additional burdens on already disadvantaged groups, including Black and Latinx communities.
War	Companies that produce landmines, cluster bombs, or other controversial weapons have disproportionately negative impacts on civilian non-combatants. Companies that engage in military weapons contracting are incentivized to increase global conflict and face substantial reputational and regulatory risks. Armed conflict exacerbates gender inequalities. Globally, many conflicts perpetuate existing racial or ethnic inequalities.

Research has shown that companies with poor business practices in the above areas tend to have higher risks that can adversely impact long-term financial performance. In contrast, intentionally investing in those companies with greater gender and racial diversity, and higher standards in environmental, social, and governance practices, may lower risk and enhance returns over the long term.[12]

For clients with other or more specific impact goals, we can also design a customized intentional impact strategy to match their personal values.

Global Debt

The primary purpose of fixed income in a diversified portfolio is to preserve capital and generate yield and income. For most private wealth clients, we design a US bond portfolio using individual investment-grade municipal bonds (typically those issued in a client's tax state, if appropriate). Municipal bonds help minimize current tax liabilities by generating tax-exempt income. Historically, they have also had a very low correlation with global equities, so they help to diversify the overall portfolio.

We design custom municipal bond portfolios for our clients in the form of *bond ladders* — portfolios of individual bonds set to mature at regular intervals over a set time period. Each year, as a portion ("rung") of the ladder matures, that money can be reinvested to extend that time period.

Bond Ladder Example

[12] https://bit.ly/327bQzU

When building a municipal bond ladder, we consider a number of factors, including the current yield curve, the client's tax state and tax posture, the liquidity and availability of higher-quality municipal bond issuers in the client's tax state and other states, the diversity of municipal issuers, and yields relative to municipals in other states and non-tax-exempt fixed-income investments. If high-quality inventory of municipal bonds is limited within the client's tax state, we seek to build a national municipal bond ladder, diversified across general obligation and revenue bonds.

We do not make bets on the direction of interest rates — predictions from economists and industry experts have rarely panned out.[13] So rather than an active trading strategy, we manage these portfolios using a "buy and hold" approach, monitoring, rebalancing, and reinvesting income across the portfolio as needed. Each bond portfolio is designed to meet our client's liquidity needs, tax posture, and quality and duration criteria.

While there are many municipal bond mutual funds and ETFs (even some that are state-specific), we believe that constructing individualized bond portfolios for our clients has advantages over investing in funds and ETFs. First of all, with a custom bond ladder, our clients will not be beholden to the aggregate behavior of a fund's other shareholders, who may not be buy-and-hold investors. For example, if investors fear higher interest rates, they may rush to redeem their shares in a bond fund. This would cause the fund manager to sell holdings at distressed prices, which can harm the remaining investors in the fund. In fact, owning individual bond positions helps to mitigate interest rate risk, as long as each position is held to maturity — while bond prices will rise and fall, clients can simply disregard these fluctuations as they wait for maturity, at which time they can expect to receive their principal back, as well as interest along the way. A personalized bond portfolio also allows clients to better control for factors such as liquidity needs and tax consequences.

To help enhance and add diversity to our clients' fixed-income allocation, we may also add small allocations to bond sub-asset classes, such as high-yield municipal bonds and international bonds, through low-cost ETFs or mutual funds.

[13] https://cnb.cx/2sQHtOI

Alternatives

Alternatives (investments that are neither stocks or bonds) can play an important role in portfolios that have long-term horizons. Including different types of alternatives — such as direct real estate, private debt, and renewable energy assets — in an investment strategy has the potential to lower the overall risk of a portfolio, enhance investment returns, and generate income.

We seek private alternative investments that offer low correlation with equities and bonds, competitive financial returns, and a positive social impact, particularly for women and people of color.. We generally pass on alternatives that lack these characteristics, such as hedge funds, cryptocurrencies, late-stage private equity, managed futures, and macro, long-short, and derivative-based funds.

We spend much of our investment research time and effort sourcing, diligencing, and monitoring suitable alternative investments. We carefully research each investment's strategy, risk and return characteristics, potential for competitive returns, and correlation (or not) with equities and bonds. Any investment — regardless of its impact — must meet our fiduciary standards and investment criteria. Only then do we consider its impact.

Alternative selection

At Ellevest, we typically build clients' portfolio of alternative investments from the following types:

- Green energy assets
- Private real estate
- Private US debt
- Private emerging market debt

Most of the alternatives we include in client portfolios are illiquid (ie, they cannot be bought or sold on a public securities exchange or secondary market like stocks and bonds) and only appropriate for investors with long investment horizons. And while our alternatives are selected for their differentiated return characteristics, they also have idiosyncratic risk factors that are specific to the investment strategy.

In our research and selection, we specifically focus on:

- **Strategy**: A differentiated investment strategy with sustainable competitive advantages that are implemented using a disciplined, repeatable investment process. The strategy should also demonstrate low correlation between asset classes in the portfolio to reduce overall portfolio risk.
- **Performance**: A strong track record of execution, robust and disciplined investment process, and active risk management and mitigation.

- **Experience**: A high degree of specialization and expertise, transparency in both their investment process and investor communications, and demonstrated alignment with investors' interests.

One example of an alternative we often include in client portfolios if suitable, is private debt. There are unique opportunities within the private global debt markets for investors who have the capacity for illiquidity to seek enhanced yields relative to the debt (ie, fixed income) securities offered in public, liquid markets. Trade finance and growth-stage loans to profitable small- and medium-sized enterprises in emerging economies also offer investors a way to invest in emerging markets without the volatility associated with emerging market equity. These loans also provide capital critical to growing firms in countries experiencing financial dislocation.

These types of alternative investments — private debt in the US and emerging countries — have unique risk and return characteristics that are different from public equity and debt markets. Within a portfolio, they diversify overall risk while providing the opportunity for enhanced yields and income. While these strategies are illiquid, the historically low default rates, high relative yields, and low correlations to both US equity and fixed income markets make them a compelling alternative investment in well-diversified portfolios.

Similarly, alternative investments in private real estate can add significant benefits to an investment portfolio. Examples of private real estate investing include investments in the development and preservation of affordable housing for very low- to low-income residents, as well as investments in the acquisition and sustainable renovation of multi-family workforce housing. Data shows that the supply of affordable multi-family housing for low- to middle-income residents has been shrinking over the past 15 years, while demand continues to grow.[14] Black, Indigenous, and Latinx people make up a disproportionately larger percentage of renter households and low-income renter households and are much more likely to face the brunt of the shortage of affordable and available housing[15]. The alternative investment managers we work with and actively seek have prior track records of successful execution, specialized expertise, and deep networks and relationships in their respective areas.

Within the real estate sector, we believe that investments in affordable housing positively impact low and middle income families (particularly Black, Latinx, and

[14] https://bit.ly/2DWCqyM
[15] https://bit.ly/38ER8ZH

other people of color and woman-headed[16] households), *and* have the ability to weather periods of market stress and recession better than other types of real estate due to the growing imbalance of housing supply and demand for low- and moderate-income tenants.

Investing in renewable power projects — such as solar, wind, and hydro — may also add diversification, hedge against inflation, enhance yield, and have a positive environmental impact for a portfolio. According to Bloomberg New Energy Finance (2019), 50% of global electricity is expected to come from wind and solar by 2050.[17] Investment in renewable energy generation capacity (ie, renewable power plants) is expected to total $10 trillion over the next 30 years, and global renewable capacity is expected to grow by over 1 terawatt (eg, 1 trillion watts) — a 46% growth over the period of 2018 to 2023.[18] This growth, coupled with the falling costs of renewable power plant construction and solar equipment, creates investment opportunities with returns that we believe are sustainable in the long-term regardless of the economic or market environment. Plus, an investment in this sector's low correlation with public markets, together with stable cash flows, can help lower the overall risk of a portfolio while enhancing returns.

Because no one can predict what will happen in the future, we intentionally seek alternatives with characteristics that, in aggregate, have the potential to deliver targeted expected returns under different market environments, including periods of stress. Many of the alternatives that meet this and our other investment criteria also have the kinds of social impact our clients seek.

In most cases, the investment itself provides capital to benefit those who are economically challenged, whether it be affordable housing or small businesses that would otherwise be unable to access growth capital. But the impact doesn't have to stop there. One of our private real estate managers also sets aside a number of units at some of the properties for non-profits in the community to provide transitional housing to individuals and families who need housing assistance. The alternative investment manager we work with to provide loans to businesses in emerging economies screens each borrower using specific sustainability criteria. Each borrower also commits to specific social impact mandates, such as increasing the number of women employees, or more efficient energy usage.

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[16] https://bit.ly/3iSjJzx
[17] https://bit.ly/37fBodm
[18] International Energy Agency, Renewables 2018, Market analysis and forecast from 2018-2023.

Rebalancing and Tax Efficiency

Our client portfolios are intentionally designed to pursue returns over the long term with low portfolio turnover. We avoid short-term and reactive trading that research shows is generally unproductive and potentially harmful to long-term returns.[19] Instead, we monitor portfolio positions and overall asset allocation regularly, and we rebalance within and across asset classes as needed.

Cash flows in excess of the client's income requirements will be reinvested to help maintain the overall target asset allocation. Whether we decide to fully rebalance a portfolio will depend on multiple factors, such as market movements in publicly traded investments, relative valuations across asset classes, unanticipated liquidity needs, bond maturities and redemptions, private investment liquidity events, and new public and private investment opportunities.

We pay careful attention to ongoing tax consequences by employing tax minimization techniques, such as tax-loss harvesting, strategic use of cash flows in rebalancing, and minimizing short-term gains when trading. We also carefully consider the tax efficiency and after-tax expected returns of each investment we select for our clients' portfolios, as well as the best placement of each type of investment across taxable and tax-advantaged accounts. We balance tax considerations with trading costs and diversification benefits.

Clients with significant unrealized capital gains may invest in Opportunity Zone (OZ) funds, which are designed to both defer taxes owed on those gains and provide the opportunity to earn tax-free returns in the long term.[20] While OZ funds are relatively new (created through the Tax Cut and Jobs Act of 2017), the strategies underlying the OZ funds generally are not. We specifically seek OZ funds offered by managers who have demonstrated strong execution capabilities in engaging these strategies.

[19] https://bit.ly/33YoGhr

[20] Opportunity Zone funds are investment funds created to encourage private investment in economically disadvantaged communities nationwide, called qualified opportunity zones. The Opportunity Zone Program, created by the 2017 Tax Cuts and Jobs Act, provides tax benefits to investors who invest eligible capital in these zones through Opportunity Zone funds.

A More Inclusive Economy Is a Healthier Economy

Many of our private wealth clients are drawn to Ellevest because of our mission: helping women of all means, backgrounds, and identities achieve financial success. We heard from our clients that they felt understood by our *for women, by women* firm, and that investing in women was important to them. So we went to work, researching different gender gaps and how investing might help close those gaps. What we found was that many of the issues and gaps that impact women also impact Black, Indigenous, and Latinx people and other people of color.

The result is Ellevest's intentional investment strategy — investments designed to generate financial return and advance and benefit women and people of color. This strategy focuses on:

- Public companies highly ranked for advancing and supporting women and people of color in the workforce
- Public companies whose policies and practices have been shown to help and benefit women and people of color
- Investments that provide capital directly to women founders and businesses owned or run by women and people of color, through private equity or private debt
- Businesses providing products and services that primarily benefit women and people of color
- Organizations that work to close social and economic gaps that directly and indirectly impact women and people of color.

Intentional investing focused on supporting women and people of color is still relatively new, and there aren't very many options that meet all of our criteria. Instead of waiting for fund companies to catch up, we've reached out to managers who have strong investment strategies to advocate for investments that meet our impact, gender, and racial diversity criteria. And we're speaking with managers who have an interest in developing investments that meet our fiduciary *and* intentional impact lens criteria. This has been met enthusiastically — and today, we're working to incorporate more gender and racial justice lenses into our existing investment process to create new solutions that our clients demand.

Intentionally considering gender and race when investing is not just about advancing women and people of color (which has been shown to benefit families and communities as well[21]); it's also about the opportunity to achieve stronger returns—seeking that gender and racial diversity factor in our investments' performance.

The research shows that women borrowers pay back loans at a higher rate than men do, yet find it more challenging to get loans (which also end up being smaller for women and or Black and Latinx borrowers, who face intersecting challenges).[22] Providing loans to women-owned businesses not only helps close this gender funding gap, but is also a smarter investment that carries less risk than providing loans to only men-owned businesses.

The trend is clear: Women are taking a larger role in driving the economy. Since 1979, women's gains account for most of the rise in real US household income.[23] Today, there are more women entering college, more women gaining undergraduate and advanced degrees, more women in the workforce, and more women making household financial decisions ... than men.[24] Over the past five years, women have launched new businesses at more than double the rate of men, and quadruple that rate for Black women.[25]

Moreover, research shows that diversity in the workplace is also a smart move. Companies with more ethnically and culturally diverse executive teams were 33% more likely to achieve above-average profitability. Companies with the most gender-diverse leadership teams were more likely to outperform companies with the least diverse teams in profitability and value creation.[26]

Investment professionals are always looking for that edge — combing through the data to determine what factors and characteristics will lead to superior investment performance. We are no different, although the factors we focus on are. Our investment strategies are based on the data and research that has shown to lead to successful investment outcomes historically, and we avoid practices that studies show are harmful to long-term performance.

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[21] https://bit.ly/2uCbpiW
[22] https://brook.gs/38jyBkC
[23] https://bit.ly/2sVOT3n
[24] https://on.wsj.com/2qxeZsH; "Financial Literacy Has a Gender Gap." Wall Street Journal, print. Sept 3, 2019; "Women's Clout in Spending Grows." Wall Street Journal, print. Sept 9, 2019.
[25] https://amex.co/2ZMM812
[26] "How a Diverse Workforce Can Help Performance." Barron's. January 7, 2019.

People of color will become the majority of the US population as early as 2045[27] and more than 50% of the working age population in 2039[28]. Women of color will comprise the majority of all women in the US by 2060[29]. The growth of our economy depends upon their full participation, which can only be achieved through economic equality. Investing to help close gender and racial gaps is to invest in a more inclusive and healthy economy. Research by McKinsey shows that achieving gender parity could add between $2.1 trillion and $4.3 trillion to our country's gross domestic product (GDP) in the next decade[30]. Closing the racial wealth gap could increase real GDP by a similar amount (e.g. $2.6 trillion to $3.9 trillion) by 2028[31]. Economic parity across gender and race means greater participation in the economy — and that's good news for all of us.

It's the holy grail when there's an opportunity for both successful investing and benefiting others by narrowing gender and racial gaps. The research and data is there — and growing. At Ellevest, our intentional pursuit of both financial returns together with the impact that we believe will help drive those returns is an opportunity for our clients to do well and good, both for themselves and others.

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27 https://brook.gs/2Dn2zJP
28 https://bit.ly/2ZSaS7Z
29 https://bit.ly/2ZRoUa1
30 https://bit.ly/2BJW5V9
31 https://mck.co/2ZR0VI5

Disclosures

All opinions and views expressed by Ellevest herein are current as of the date of this writing, for informational purposes only, and do not constitute or imply an endorsement of any third party's products or services. Information was obtained from third-party sources, which we believe to be reliable but not guaranteed for accuracy or completeness.

Research supporting the descriptions for each focus area of Ellevest Intentional Impact portfolios:

- **Workplace Diversity:** diversity and inclusion, https://bit.ly/2AMT9GK, gender wage gap, https://bit.ly/2ChdDYs
- **Human Rights and Community:** women, https://bit.ly/2O8pH0R; disadvantaged groups, https://bit.ly/2ZPRdWt
- **Exploitative Products:** targeting women, https://bit.ly/2O5vNz8, disproportionate payday lending use, https://bit.ly/2OcXoy8, predatory lending, https://bit.ly/3fkxkNS, cost of mortgage lending, https://bit.ly/2BW1bxn, smoking, https://bit.ly/2AIOeqh
- **Firearms:** gun violence, https://bit.ly/2OfyXQF, domestic violence, https://bit.ly/2W1rnh6
- **Excessive Remuneration:** income inequality, https://bit.ly/2W1jBUp, impact on Black workers, https://brook.gs/3fg4jT9
- **Waste:** health risks to women, https://bit.ly/31ZjdJO, air pollution, https://bit.ly/3iJCeGb, targeted communities, https://bit.ly/2CgBl7k
- **Greenhouse Gas Emissions:** impact of climate change on women, https://bit.ly/2ObFXOx; geographic impact, https://bit.ly/2O8ZS0z
- **Water:** collection, https://bit.ly/3fdCStb, access, https://bit.ly/2ZQICTf, health risks, https://bit.ly/2OfzGBn
- **Product Quality and Safety:** health risks for women, https://bit.ly/2Zd6y4c, harassment, https://bit.ly/2BSPVC0, discriminatory practices, https://bit.ly/3fefax5
- **Ethics and Fraud:** Black and Latinx workers, https://bit.ly/2ZRzPk6, wage theft and women, https://bit.ly/35reQqg, fraud, https://bit.ly/2J4wS8n
- **Working Conditions:** impact on women, https://bit.ly/2W5qUum, workplace injuries, https://bit.ly/2Ck9PG1
- **Labor Relations:** effect on gender pay gap, https://bit.ly/2W1EL4B, burden on communities, https://bit.ly/3fghS57
- **War:** gender inequalities, https://bit.ly/38FBkpv; racial and ethnic inequalities, https://bit.ly/2AMXHgi

Ellevest Intentional Impact portfolios are separately managed equity accounts that are sub-advised by Ethic, Inc., an SEC-registered investment advisor. As sub-advisor, Ethic constructs and manages portfolios of individual stock positions benchmarked to an underlying index and customized to specific values criteria. The sub-advisor seeks to track the performance of a designated equity benchmark (domestic and / or international) while outperforming on impact across key sustainability criteria as defined by Ellevest and / or the client.

Ellevest Intentional Impact portfolios are expected to comprise around 300 US-listed equities (including ADRs as applicable) chosen through an outsourced multi-factor optimization software and sustainability data science developed by Ethic to minimize tracking error.

The sustainability criteria is based on risks in the following categories: Ethics and Fraud, Firearms, Excessive Remuneration, Exploitative Products, Greenhouse Gas Emissions, Human Rights and Community (including private prisons), Labor Relations, Product Quality and Safety, War, Waste, Water, Working Conditions, and Workplace Diversity (including gender metrics on low employee representation, low management representation, and low board representation).

The Ellevest Intentional Impact portfolios uses the divestment recommendations created by the American Friends Service Committee to identify and screen out companies for practices around the private prison ecosystem. Those recommendations are based on an assessment of three criteria: the salience of the human rights violation, the company's responsibility for the violation, and the company's responsiveness to stakeholders' concerns about the violation.

A firm reporting that more than 5% of their revenues are from firearm sales will be screened out. Note that not all companies report their revenues from gun sales, so we can't guarantee that you will be fully divested from firearms.

The primary benefit of an Ellevest Intentional Impact portfolio is that it provides broad market exposure with a goal of keeping average tracking error low over the long term, less than 1.50%, while divesting from companies that do not meet the strategy's sustainability parameters. The tracking error may be meaningfully higher if the equity allocation is transitioned over time due to tax or other considerations or if the customized sustainability criteria specified by the client overly restricts the investable universe of securities.

Some of the key risks for investing in the Ellevest Intentional Impact portfolios include:

- **Market Risk:** As with all publicly traded securities, the SMA is exposed to market risk, the risk of losses arising from fluctuations in market prices caused by factors independent of a security's particular underlying circumstances.
- **Active Risk:** Although the SMA is constructed to minimize tracking error relative to its benchmark, there is no assurance that the strategy will generate market returns within the estimated tracking error. Because the SMA is designed to capture investment returns associated with gender and racial diversity, and high environmental and governance standards, the SMA may exclude, overweight, or underweight individual companies and/or sectors of the market. As a result, the SMA will not fully participate in the market returns of a general investment strategy. The SMA may over or under perform a general market strategy.
- **Sub-Advisor Risk:** The success of an account's investment through sub-advisors is subject to a variety of risks, including those related to the quality of the management of the sub-advisor and the ability of such management to develop and maintain a successful business enterprise, and the ability of the sub-advisor to successfully execute, operate, and manage the intended strategy at or below the target tracking error.

- **Business Risk:** The fund's strategy relies on key personnel, their expertise, relationships and networks. A loss of one or more key personnel may adversely impact the strategy.

Ellevest Intentional Impact portfolios give clients access to broad equity market exposure. The target tracking error for the portfolios is currently under 1.50%. Reporting on Ellevest Intentional Impact portfolios will be provided to clients no less than annually. The minimum investment in an Ellevest Intentional Impact portfolio is $250,000. In addition to Ellevest's advisory fee, the client will pay 0.30% of assets managed to the sub-advisor.

Forecasts or projections of investment outcomes are estimates only, based upon numerous assumptions about future capital markets returns and economic factors. As estimates, they are imprecise and hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

The information provided should not be relied upon as investment advice or recommendations, does not constitute a solicitation to buy or sell securities and should not be considered specific legal, investment or tax advice. The information provided does not take into account the specific objectives, financial situation or particular needs of any specific person.

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 your investment objectives or provide you with a given level of income.

The practice of investing a fixed dollar amount on a regular basis does not ensure a profit and does not protect against loss in declining markets. It involves continuous investing regardless of fluctuating price levels. Investors should consider their ability to continue investing through periods of fluctuating market conditions. Investing entails risk, including the possible loss of principal, and there is no assurance that the investment will provide positive performance over any period of time.

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