

COVESTOR SMART BETA PORTFOLIOS

Covestor Smart Beta Portfolios can help you achieve a risk-return profile potentially more attractive than that of passive index trackers like the SPDR® S&P 500® ETF, and more transparent than most actively-managed mutual funds.

WHY SMART BETA?

Over the past decade, smart-beta products have been growing in popularity, and for good reason. They offer the low-fee and diversification features associated with passive ETFs,

along with the beneficial stock screening methods used in active stock selection strategies. Covestor Smart Beta Portfolios find the sweet spot between passive, capitalization-weighted ETFs and actively-managed mutual funds.

COVESTOR SMART BETA PORTFOLIOS

Our portfolios combine elements of automated (robo) investing with management oversight, and are auto-rebalanced quarterly to maintain their optimal strategic composition. Each portfolio provides factor tilts/exposure to desirable stock characteristics.

- **VALCOV™ - Value Portfolio:** Attractive valuation such as low price/book and low trailing and forward price/earnings.
(300 stocks - Annual Brokerage Fee Estimate .03%*)
- **GROCOV™ - Growth Portfolio:** Robust growth factors like high trailing and forward earnings/share growth.
(300 stocks - Annual Brokerage Fee Estimate .03%*)
- **QALCOV™ - Quality Portfolio:** High quality features like attractive return on assets.
(300 stocks - Annual Brokerage Fee Estimate .03%*)
- **DIVCOV™ - Dividend Portfolio:** High dividend yields with sustainable payouts.
(300 stocks - Annual Brokerage Fee Estimate .03%*)
- **BRMCOV™ - Broad Market Portfolio:** Diversification by avoiding concentration in mega-capitalization names.
(1,000 stocks - Annual Brokerage Fee Estimate .02%*)

Small cap versions of the above portfolios are also available, for example: smVALCOV™ - Small-Cap Value Portfolio.

EXPERIENCED MANAGEMENT TEAM

Our portfolios are managed by a team of professionals with significant experience in back-testing and managing quantitatively oriented 'active' equity strategies designed to compete with actively-traded funds, but in a disciplined manner.

QUESTIONS? WE'RE HERE TO HELP.

Call a Covestor Representative at 1-866-825-3005 or email: support@covestor.com

These portfolios mainly invest in stocks and may not be suitable for all investors. You may lose all or part of investments in these portfolios. Past performance is no guarantee of future results. You may find additional information on the risks, conflicts of interest, applicable brokerage commissions, fractional shares, and limitations on investments and divestments associated with these portfolios (along with Covestor's full disclosures) on the Forms and Agreements page at covestor.com. Covestor Ltd. is an SEC-registered investment advisor. Brokerage services are provided to Covestor clients by Interactive Brokers LLC, an SEC-registered broker-dealer and member NYSE/FINRA/SIPC.

Covestor Portfolio Advantages

- ✓ Low management fee of .08% (\$8.00/year for a \$10,000 portfolio)
- ✓ Industry-low brokerage fee up to .03% for an investment of \$100,000 or more*
- ✓ Transparency with real-time visibility of positions and trades
- ✓ Diversification
- ✓ Systematic auto-rebalancing
- ✓ Low minimums with fractional shares
- ✓ Active return attributes

* Assuming a \$100,000 investment amount. Brokerage fees (commissions plus exchange, regulatory and clearing fees) will vary based on the investment amount and the specific Covestor Smart Beta Portfolio in which you choose to invest, for example:

Investment Amount	Estimated Annual Brokerage Fees
\$10,000	Between .08 - .15% of investment amount (\$8.00 - \$15.00)
\$25,000	Between .05 - .09% of investment amount (\$12.50 - \$22.50)
\$100,000	Between .02 - .03% of investment of amount (\$20.00 - \$30.00)
\$250,000	Between .01 - .03% of investment amount (\$25.00 - \$75.00)
\$1,000,000	Between .01 - .03% of investment amount (\$100.00 - \$300.00)

Please note that, regardless of which portfolio you invest in, whenever the overall monthly commissions paid by all Covestor client accounts do not amount to at least \$10 in commissions per account per month, Interactive Brokers will collectively charge Covestor clients any difference between the actual commissions and the \$10 minimum, on a pro rata basis.