MoneyLion®

INVESTMENT APPROACH AND PORTFOLIO STRATEGY

Investing with MoneyLion

CONTENTS

WELCOME TO MONEYLION

MISSION

MoneyLion strives to give every hardworking American a path to their dreams.

Through simple, managed investing with no minimums or experience needed.

Because here everyone can dream big, even if they start small.

01
LEVELING THE INVESTMENT PLAYING FIELD

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ACCESSIBLE INVESTING

Thanks for wanting to learn more about our unique approach to managed investing and how it helps our members reach their goals one day at a time.

In this paper, we'll discuss our investment philosophy — that everyone deserves a way to build wealth — and our process for helping millions of hardworking put their money to work and grow their funds for the long term.

SHARING THE WEALTH

With managed investing from MoneyLion, hardworking Americans can finally make their money work as hard as they do. MoneyLion has broken down some age-old barriers to investing, such as investment minimums and asset-based management fees. You won't find those here. And becausewe offer fractional investing (whereby investors can buy partial shares of exchange-traded funds), our members can start investing whether they have $5 or $5,000.

Another key differentiator in our approach is our partnership with Wilshire Associates, an investment advisory firm that serves clients in over 20 countries, representing 500 organizations with assets totaling $9 trillion. Wilshire has been advising some of the nation's largest and most successful investors for over 40 years!

We leverage Wilshire's big-league investment insights and recommendations to help our members invest wisely — without the fees and minimums paid by those larger investors.

No matter how much each customer invests, their portfolio allocation will be guided by the same expertise enjoyed by multi-million-dollar investors.

What sets MoneyLion apart

- Partnership with industry leaders Wilshire and Global X ETFs
- Wealth building tools for a spectrum of investors
- No asset-based management fees
- Fractional investing and no minimums

W Wilshire GLOBAL X Wealth

Our Wilshire partnership provides MoneyLion with an institutional-grade investment focus,powering our members' portfolios.

02 EFFORTLESS INVESTING

EFFORTLESS INVESTING

HOW DO I PICK THE TYPES OF INVESTMENTS RIGHT FOR ME?

Enough about us. Let's talk about our amazing customers. Ninety-three percent of them are first-time investors.

Before discovering MoneyLion, they perhaps didn't know where to begin to start investing — and many feared they didn't have enough money to bother or have a chance.

These are common questions asked by many investors. And they can have a paralyzing effect on getting started. Even many experienced investors can struggle to find the right mix of investments and how to manage them over time.

When members invest with MoneyLion, we guide them every step of the way — through every question above — by making recommendations and taking action based on their stated preferences. We'll explain it step by step on the next few pages.

MoneyLion has developed an all-inclusive solution for the millions of potential investors who are stuck wondering:

- What's the right 'first step' in investing?
- How do I invest safely so I don't lose it all?
- Out of thousands of options, how do I choose?
- How do I actually invest, and how do I buy stocks and bonds?
- Do I have to do anything once i'm invested?

ASSET ALLOCATION

Identifying an asset allocation

How you allocate your investments is one of the most important financial decisions you must make, and our approach removes pressure from this intimidating hurdle by taking care of determining your asset allocation for our members!

When they open an investment account in the MoneyLion app, we ask a few questions about their personal investment preferences and risk comfort level. Our recommendations are based on their answers, and primarily driven by the research and technical methods provided by Wilshire.

Together with Wilshire, we built a series of risk-based asset allocation portfolios designed just for MoneyLion members, seeking to establish the ideal mix of asset classes that suit different investors' risk preference and objectives. Additionally, these portfolios give our members exposure to a broad range of investments in a simple and tax-efficient manner.

03 CHOOSING WHAT'S RIGHT

CHOOSING WHAT'S RIGHT

RESEARCH AND INSIGHTS

Wilshire uses many analytical methods prominent in the world of portfolio management. With its proprietary database representing $3.6 trillion in assets across some of the country's largest institutional plans and investment management firms, Wilshire develops forward-looking return forecasts (i.e., what they think the return expectations for a given asset class will be in the future).

Wilshire uses these insights as well as other historical analyses and risk and correlation forecasts to drive asset allocation decisions and to form well-diversified portfolios that reflect their current market sentiment.

Wilshire's strategic asset allocation process is used to position each portfolio on what is called the "efficient frontier." This is a classic framework for portfolio construction that looks to make sure an asset allocation is consistent with the risk and return assumptions at a given risk preference level.

This means that if there is risk associated with an asset allocation, it should be expected to generate sufficient returns to compensate investors for accepting the level of risk. In other words, investors take on higher risk in pursuit of higher gains. And typically the more risk you take, the greater your potential gains. It's a delicate balance to strike based on each investor's personal situation.

COMFORT ZONES

You can see five risk-based asset allocation models plotted along the efficient frontier in the chart here. As shown, we offer portfolios to accommodate multiple risk comfort levels.

To reach what it considers the most appropriate asset class mix for each portfolio, Wilshire also leverages other key analyses and data in its portfolio construction framework. Rooted in modern portfolio theory, these factors include Capital Asset Pricing Model (CAPM) expected return assumptions, estimated risk and correlation, and mean variance optimization as well as a reverse optimization process that uses these other methods of analysis and assumptions as inputs.

MoneyLion members' portfolios are continuously in good hands, because MoneyLion and Wilshire monitor the asset allocation of each model portfolio and employ tight risk controls to respond to changing market conditions in order to maintain the desired level of risk.

MoneyLion communicates with Wilshire on a regular basis to understand its market and allocation views and provide advice for MoneyLion members' investment accounts. In other words, Wilshire brings serious investment muscle, and we use their insights to give everyday people a path to wealth.

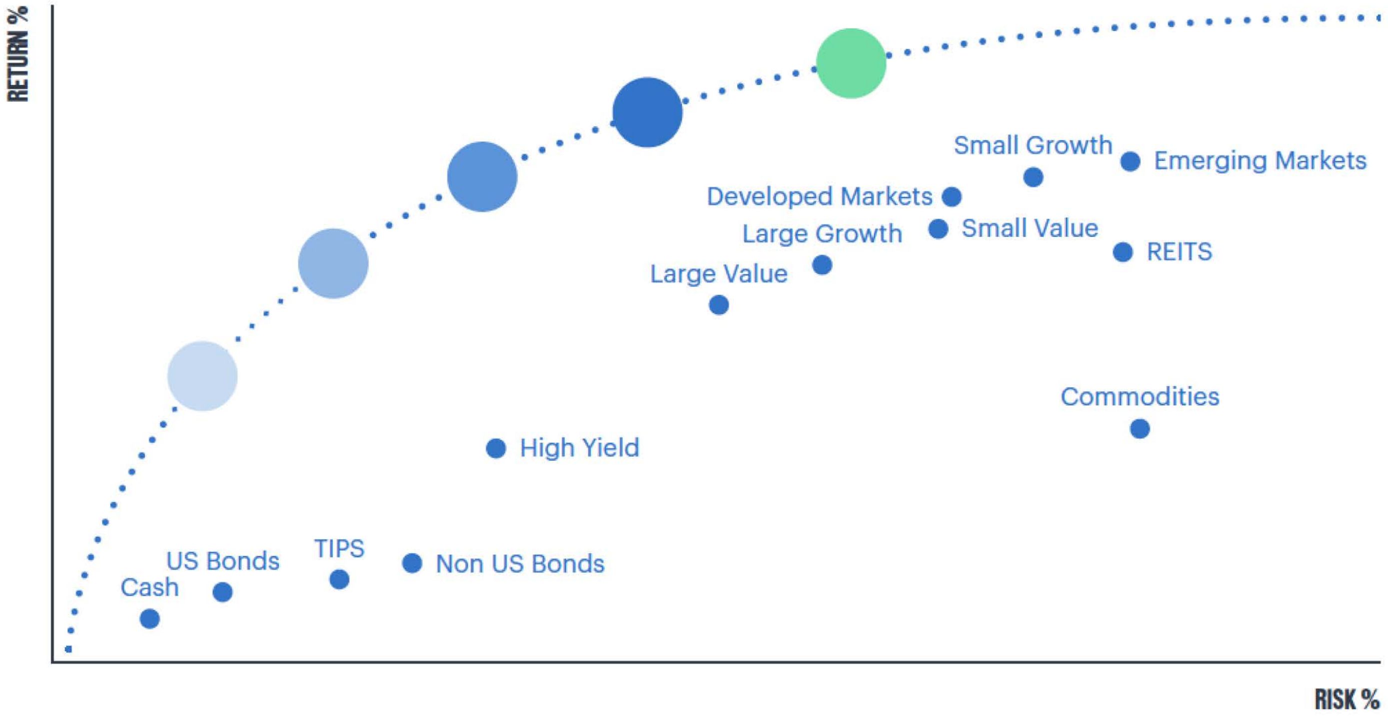


Chart above: For illustrative purposes and represents a sampling for asset classes. Source - Wilshire Assoc.

04
DIVERSIFICATION

DIVERSIFICATION

SMOOTHER RIDE

Diversifying stocks and bonds

Different asset classes have unique characteristics. For example, this chart shows that over the past 15 years, stocks have returned 10% on an annualized basis (that is, on average over the course of a year) but with a high level of risk (as measured by the statistical term "standard deviation," a common measure that investors use for risk). Bonds, on the other hand, have returned only 3.6% per year on average, but with much lower levels of risk.

Combining the two asset classes can significantly lower a portfolio's risk while still helping to potentially achieve attractive gains! For instance, an asset allocation of 60% stocks and 40% bonds would have returned 7.5%, more than double the return of bonds, but with a standard deviation of only 10.7%, much less than the risk of stocks alone.

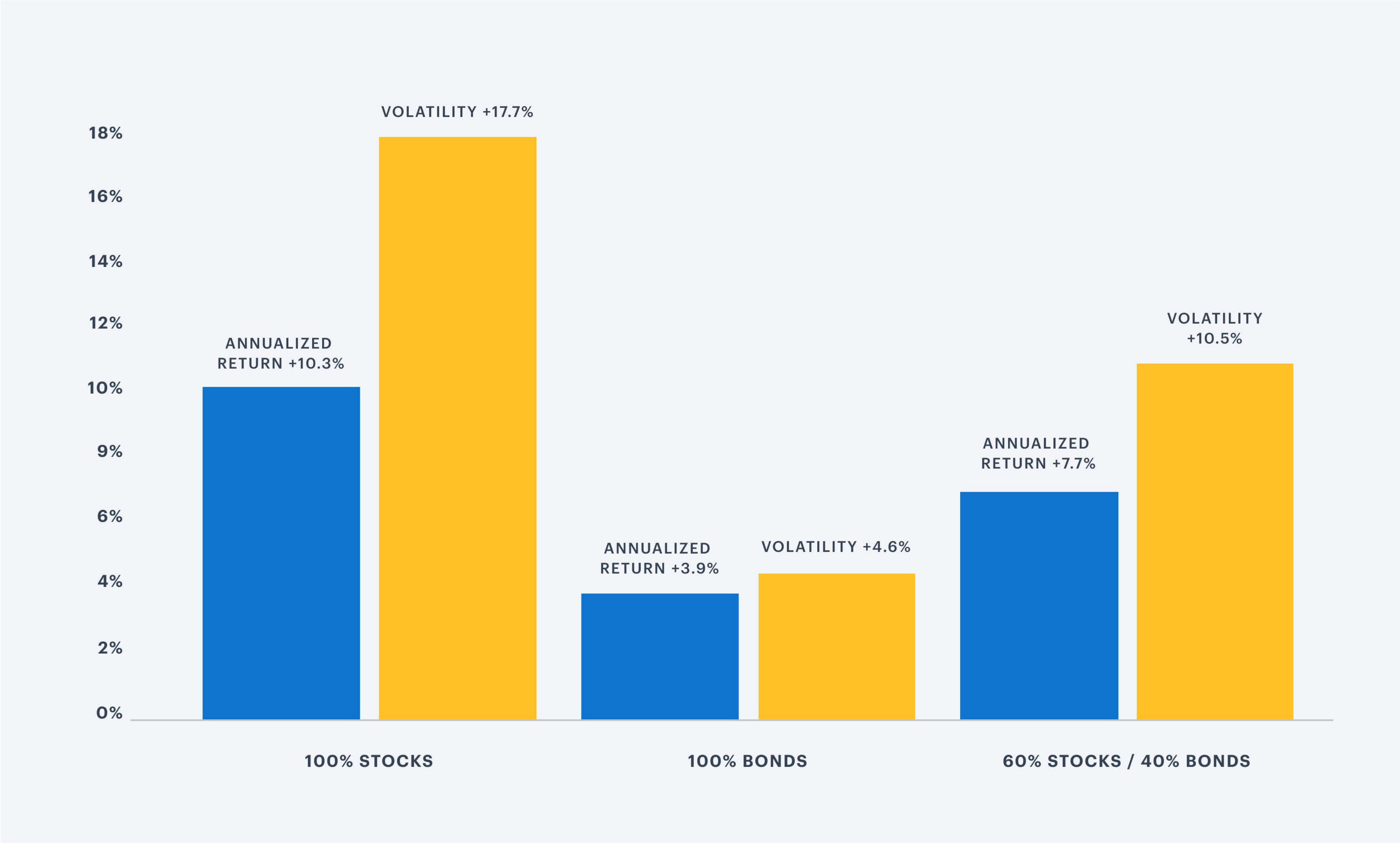


Chart above: Source, Clearnomics, Standard & Poor's, Bloomberg, Barclays U.S. Aggregate Bond Index

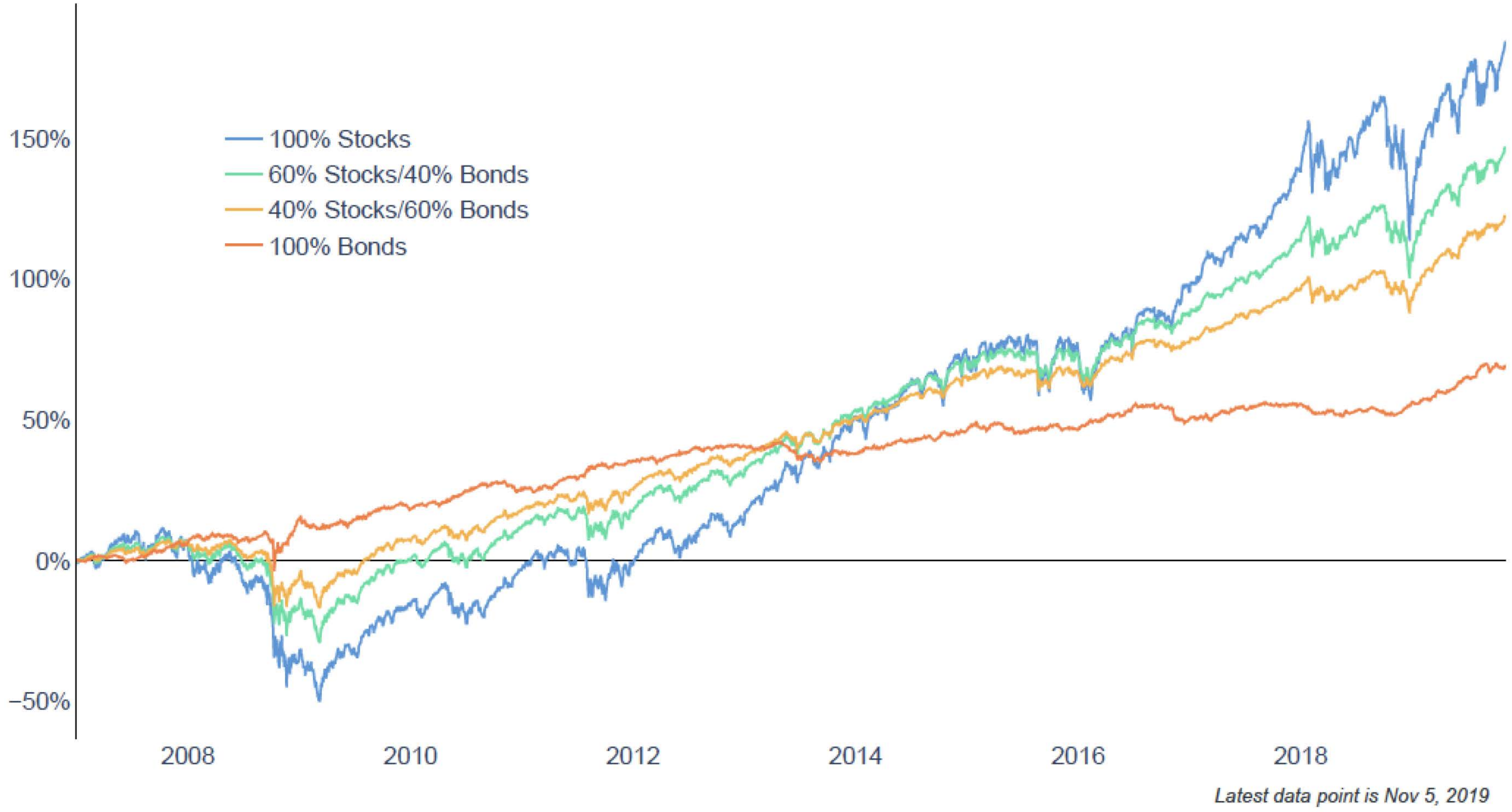
BALANCED RESULTS

Diversifying stocks and bonds

This chart shows the performance of various hypothetical allocation portfolios since 2007, each of which has different income (bond) and growth (equity) characteristics. For instance, the portfolio with only bonds will generate the most portfolio income. In contrast, the portfolio with only stocks generates the most long-term growth.

What's the right mix of stocks and bonds for an investor? That depends on the preferences and objectives of each investor. Investors seeking to generate income, reduce risk, and have a smoother investment journey may prefer to hold a larger proportion of bonds. For investors seeking growth who are comfortable with risk and potential losses, it may make sense to have a larger weighting to equities.

Chart right: Source, Clearnomics, Standard & Poor's, Bloomberg, Barclays U.S. Aggregate Bond Index



BROAD EXPOSURE

When creating portfolios for MoneyLion members, we consider not only the mix of stocks and bonds for each risk level, but also the exposure to different equity sectors (such as technology and healthcare), market cap sizes (small to large companies), and geographic regions for further portfolio diversification.

Let's talk a little more about how diversifying globally helps many investors grow and stabilize their portfolios over time. Regions can experience varying economic growth rates. For instance, emerging markets, whose countries are at earlier stages of economic development, can grow at rates many times faster than the US. And the companies located there may often benefit from such growth, although it's no guarantee.

FINDING OPPORTUNITIES

Diversifying globally

The left axis of the chart shows price-to-earnings (P/E) ratio levels, a measure of whether investments in a region are expensive or cheap relative to the earnings of the companies that make up that region's stock market. The numbers (which are followed by an X) along the right axis represent the price-to-earnings multiple for each market. You'll see that emerging markets have a P/E multiple of 10.9X while the US has a P/E multiple of 16.9X.

A low P/E multiple means the market is trading at a price that is considered low for its overall earnings/valuation. When the P/E multiple is high, it means that the price investors would have to pay for those investments is high compared to the actual earnings. The lower the P/E multiple, the more undervalued the market and the more opportunities there may be for finding investment opportunities!

Of course, MoneyLion and Wilshire also consider the level of risk that regions may bring when determining what percentage of a portfolio should be allocated to different global markets — from domestic (US) to developed international (e.g., European countries and Japan) and emerging markets (e.g., China, India, Brazil, Russia).

In terms of portfolio stability, even if one part of the world struggles, many other places may continue to grow steadily. Thus, these different assets can offset and balance one another over time. Striking a balance between opportunities for growth and increased portfolio stability is why we allocate a portion of our portfolios' equity mix to developed international markets and another portion to emerging market countries.

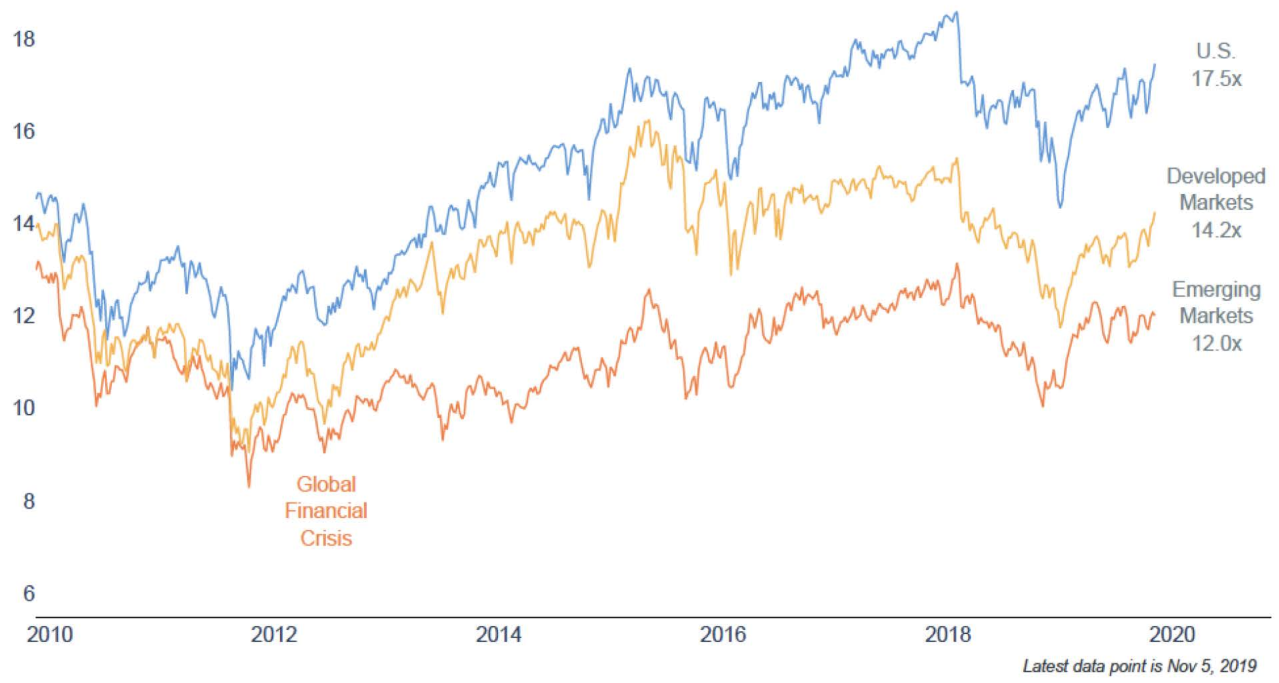


Chart above:
The chart shows how much more cheaply valued emerging market stocks could be (dark-orange line) compared to the US and developed market stocks.

Source: Clearnomics, Thomson Reuters, Standard & Poor's, MSCI

05
CHOOSING SPECIFIC INVESTMENTS

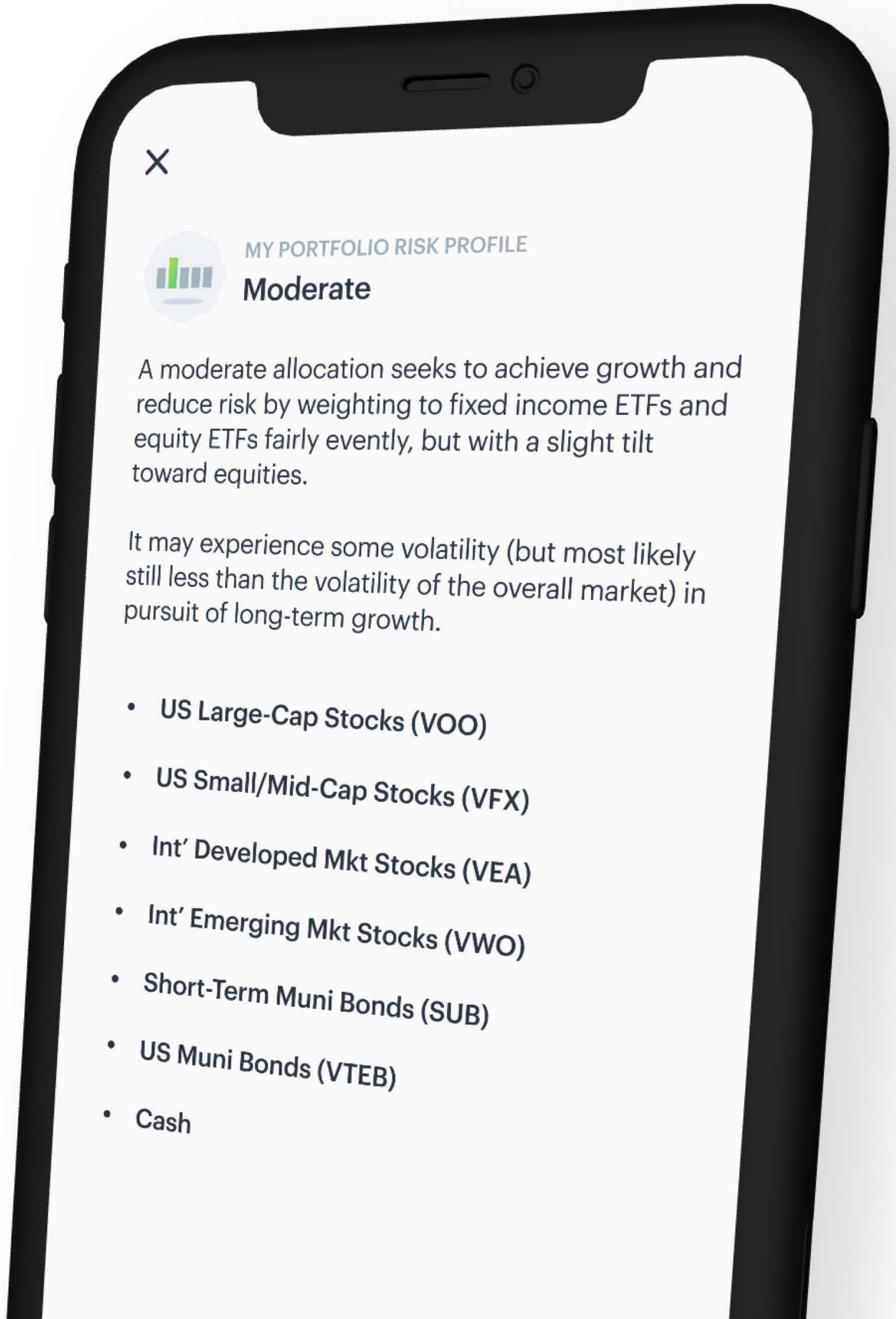
CHOOSING SPECIFIC INVESTMENTS

INVESTMENT SELECTION

It can be intimidating to look at the sheer number of investment options available. Trying to decide which are the best ones to implement can lead to overload and analysis paralysis, which is why many potential investors never even get started. But getting members started is what we're all about!

So for each diversified risk-based asset allocation, we select the right mix of exchange-traded funds (ETFs) to implement. ETFs allow investors to access baskets of multiple securities in a simple, convenient, low-cost way, making them ideal for many types of investors.

By using ETFs that track indexes across different asset classes, sectors, and geographic regions, investors can easily gain exposure to a broad area of the market and simplify the process of building a portfolio. For many investors, low cost and high convenience are reasons that ETFs have become one of the basic building blocks of a diversified investment portfolio.



THE BEST OF THE BEST

How do we choose? Wilshire searches and monitors the entire universe of over 2,000 ETFs, selecting only those that are well priced, highly liquid, efficiently traded, well established, and with records of closely tracking the returns of their benchmarks.

These are the ETFs from some of the world's largest asset managers that we use to invest members' portfolios (as of October 2020).

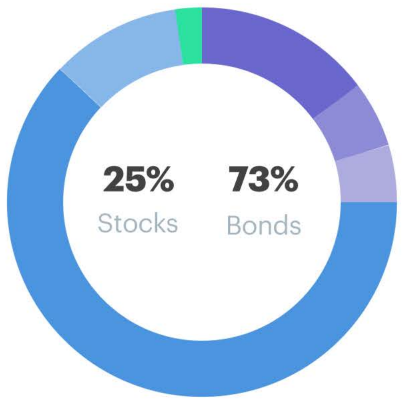
These are the ETFs from some of the world's largest asset managers that we use to invest members' portfolios (as of September, 2019).

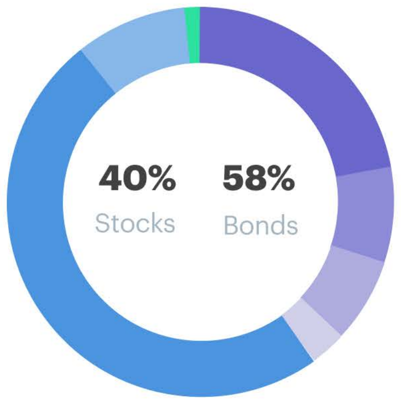
iShares Short-Term Nat'l Muni Bond ETF (SUB)
Vanguard Tax-Exempt Bond ETF (VTEB)
Vanguard S&P 500 ETF (VOO)
Vanguard Extended Market ETF (VXF) Vanguard
FTSE Developed Markets ETF (VEA) Vanguard
Total International Stock ETF (VXUS) Vanguard
FTSE Emerging Markets ETF (VWO)

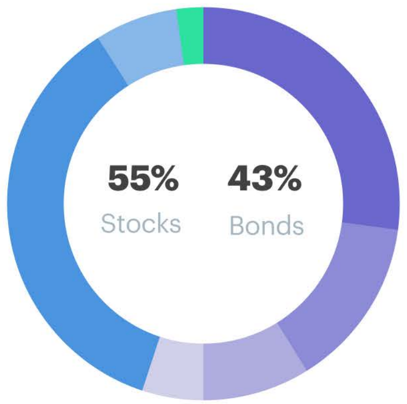
In our SteadyIncome portfolio (our most conservative option), we invest in the six ETFs below (as of September, 2019).

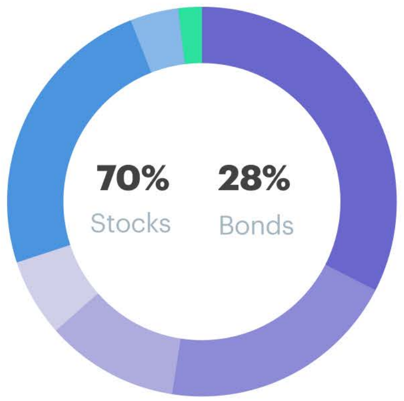
iShares Short-Term Treasury Bond ETF (SHV)
iShares Floating Rate Corp Bond ETF (FLOT)
Vanguard Short-Term Bond (1-5 yr) ETF (BSV)
iShares 0-5 High Yield Bond ETF (SHYG)
Vanguard Aggregate Bond ETF (BND)
Vanguard Int'l Bond ETF (BNDX)

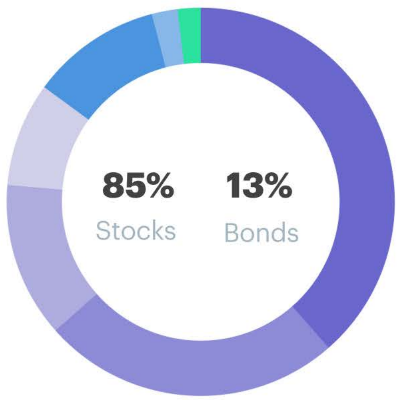
OUR RISK-BASED PORTFOLIOS











Conservative

Seeks to protect the portfolio by weighting most heavily to fixed income (bond) ETFs, with only a smaller proportional allocation to equity (stock) ETFs, offering liquidity and targeting stability but with the trade-off of offering lower potential returns.

Moderately Conservative

Seeks to protect the portfolio by weighting heavily to fixed income ETFs while also seeking to achieve some growth by adding some additional weighting to equity ETFs. Increased potential returns when compared with the conservative portfolio, but with the addition of increased risk.

Moderate

Seeks to achieve growth while still managing risk by weighting to fixed income ETFs and equity ETFs fairly evenly, but with a slight tilt toward equities. It may experience some volatility (but most likely still less than the volatility of the overall market) in pursuit of long-term growth. Increased potential returns when compared with the moderately conservative portfolio, but with the addition of further increased risk.

Moderately Aggresive

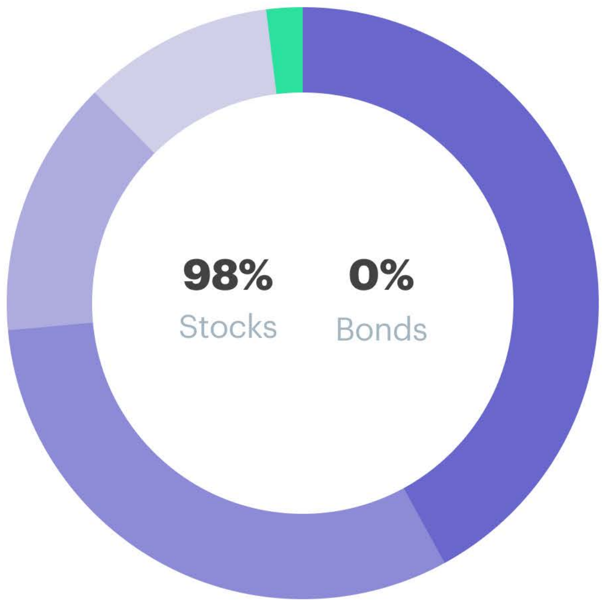
Takes on higher risk to seek higher potential long-term returns, and is typically weighted more heavily to equity ETFs, but with some weighting to fixed income ETFs as well to help cushion against volatility.

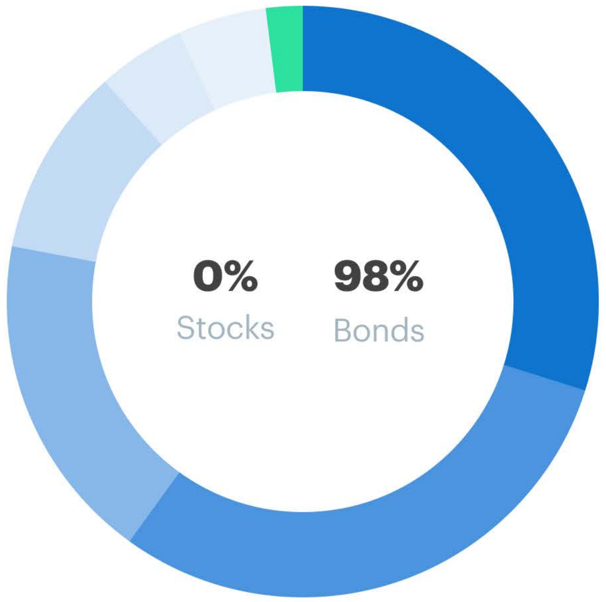
Aggresive

Aggressive Takes on substantial risk in an attempt to maximize returns and is heavily weighted to equity ETFs, with only a small (typically 20% or less) weighting to fixed income ETFs. This portfolio may endure extensive volatility in pursuit of higher long-term potential gains.

MORE PORTFOLIOS

We offer two additional portfolios for members who may want to invest at the most aggressive or conservative ends of the spectrum. These portfolios can be viewed and selected using the Risk Slider tool in the MoneyLion app.





Aggresive
Equity only

Designed for investors with longer time horizons who want to take on higher risk in pursuit of higher gains, and invests only in equity (stock) ETFs. Higher potential returns than the aggressive portfolio, but with more significant potential volatility than all other portfolios.

Conservative
SteadyIncome

Designed to accumulate returns at a faster rate than a traditional savings account would by investing in bond ETFs instead of holding cash. The conservative investments would provide lower exposure to market fluctuation while producing investment income. This portfolio does not have any exposure to equities. It's our most conservative option, and although returns may be lower in this allocation than other portfolios, it will experience greater protection from market downturns.

06
THEMATIC INVESTING

THEMEATIC INVESTING

THEMATIC PORTFOLIOS

Personalizing “core” portfolios with investing themes

With MoneyLion’s portfolio themes, our customers can invest in big ideas or themes that span several companies and industries. This practice is called Thematic Investing, and we offer three thematic portfolios.

For each theme, a curated set of thematic ETFs track related trends and provide exposure based on where key players within the theme may move next.

Not only do portfolio themes empower investors to invest in the topics they care about — like clean energy, artificial intelligence, or social responsibility — it’s also a great way to enhance and diversify their core MoneyLion portfolios.

Our three portfolio themes are powered by industry leaders Global X ETFs and Wilshire, and investors can add them to their “core” risk-based portfolio in the MoneyLion app and choose the percentage of ther balance to invest in each portfolio.

Future Innovation

ETFs focused on disruptive technologies like robotics, artificial intelligence, and autonomous cars.

Greater Good

ETFs aligned to companies that exhibit positive environmental, social and corporate governance (ESG) characteristics.

Earn & Grow

Dividend-paying equity ETFs that offer higher yield with some growth.

07
MAKING MONEY WORK HARDER

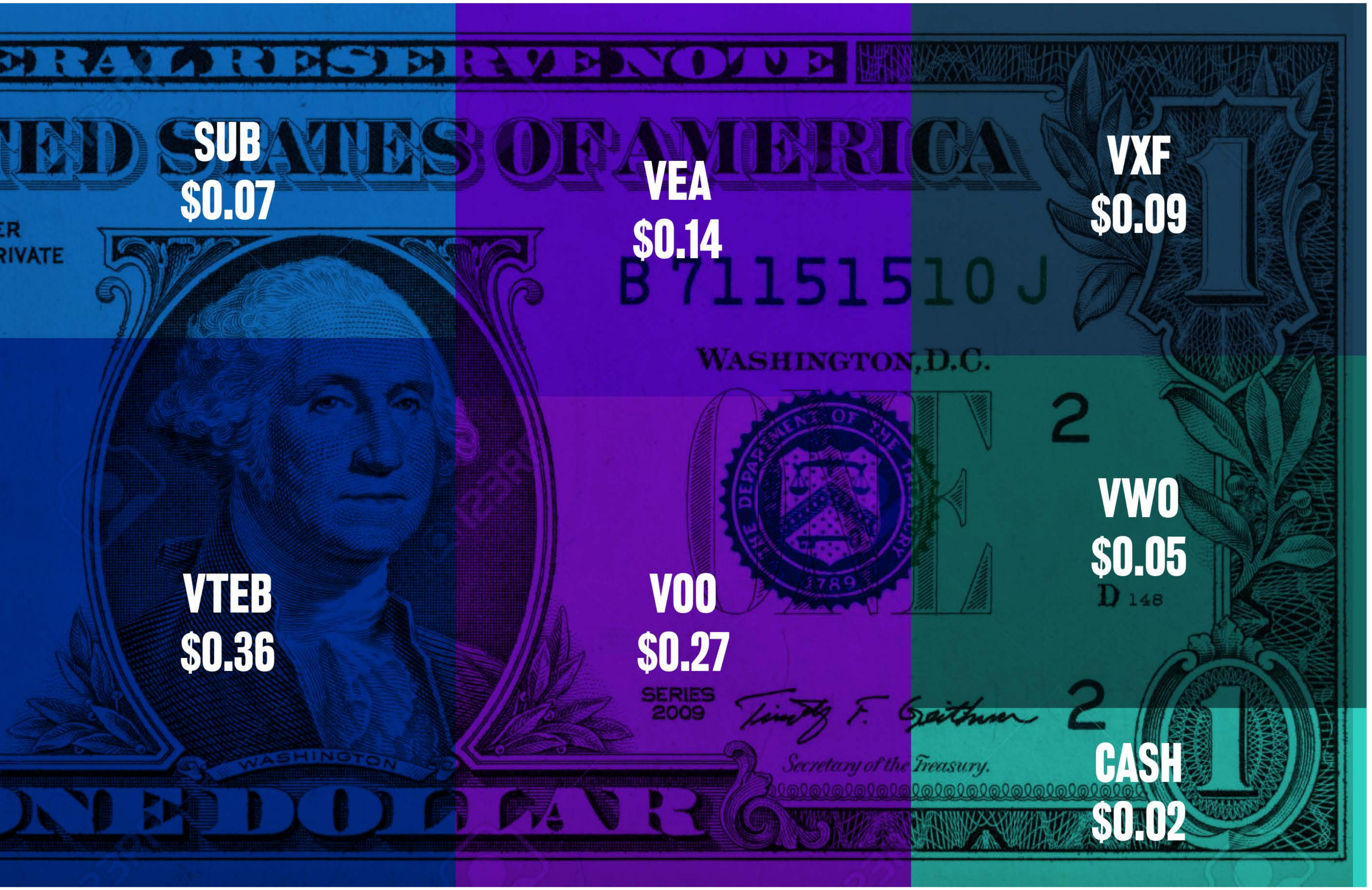
MAKING MONEY WORK HARDER

FULLY MANAGED

Now here's where the rubber meets the road. Using each member's asset allocation and ETF mix, we'll invest their money on their behalf. They don't have to wonder which investment platform to use or how to find (or pay) a financial advisor. They just have to open the MoneyLion app!

When a member deposits money in their investment account in any amount (there are no minimums!), we will buy ETF shares (or fractions of shares — to help every dollar go further) on their behalf to implement their portfolio consistent with their risk preferences and goals.

Investing using fractional shares allows MoneyLion members to have fully invested portfolios whether they have $5 or $50,000. Each dollar can be split up across the different ETFs that we use to implement their portfolio.



FULLY MANAGED PORTFOLIOS

Members can view their portfolio of investments any time in the MoneyLion app. They can also choose to make modifications to it by using the Risk Slider in the app. The Risk Slider allows them to see how being more or less aggressive would change their portfolio allocation. If they like what they see, they can implement an updated portfolio selection, and we'll rebalance their investments. And we'll work on their behalf for no asset-based management fee.

Image left:
Sample dollar breakdown is based on an account allocated to moderate asset allocation.

08 STAYING ON TRACK

STAYING ON TRACK

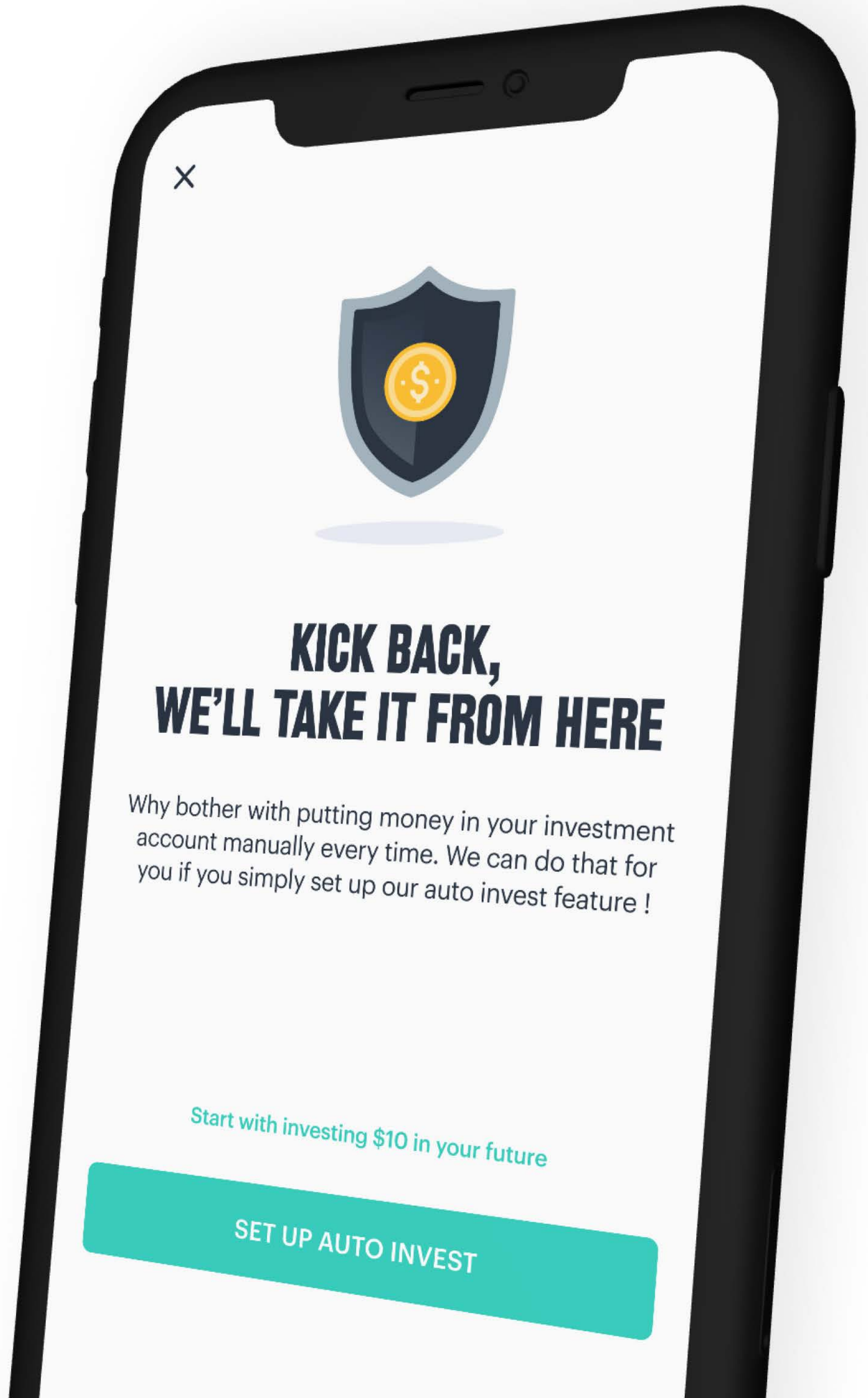
MONITORING AND AUTO INVEST

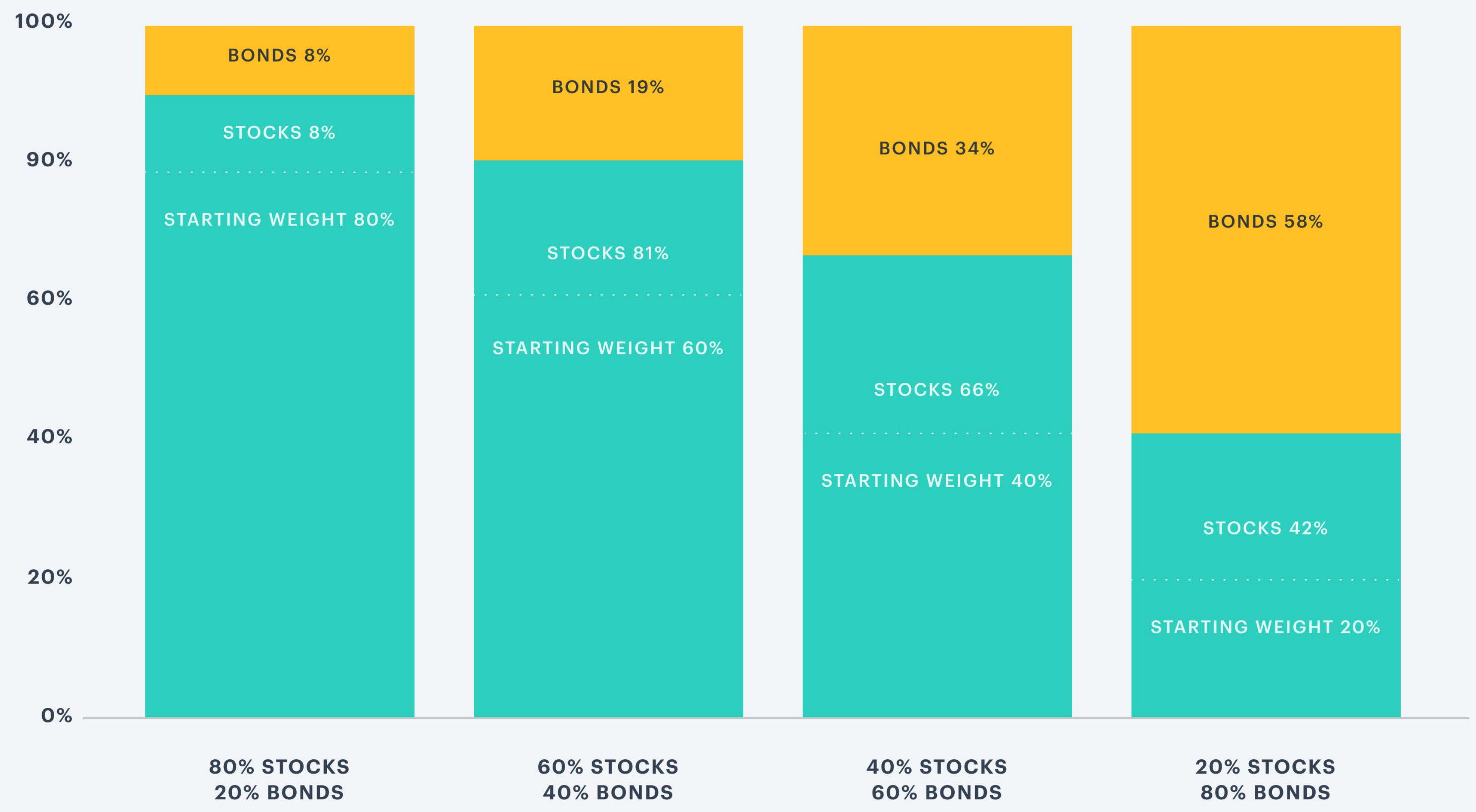
Many people fear that they won't have time to keep an eye on their investments or won't know how to react as markets shift over time. MoneyLion members don't have to worry about a thing. For no asset-based management fee, we monitor their accounts regularly and work to keep their dollars growing and aligned to their risk preferences.

We also offer Automated Investing that lets members choose an amount to automatically transfer from a selected bank account into their MoneyLion Investment portfolio to build their portfolio consistently. Customers can change the amount anytime and pause or cancel their Auto Invest any time. It's also a "smart" transfer, so our system will skip an Auto Invest transfer if it could put the customer's funding account at risk of becoming overdrawn.

Let's talk about the importance of rebalancing.

Constructing a personalized portfolio is the first step toward successful long-term investing, but over time, one's portfolio might "drift" based on the performance of different investments. Portfolio maintenance and rebalancing may be needed when this happens, and we have our investors covered.





Portfolios tend to drift from their initial asset allocations. This chart shows that stock/bond portfolios would have experienced significant drift over the past five years. For instance, a portfolio that began with a 60% allocation to stocks would now have over 84% in that asset class, giving your resulting portfolio a very different risk profile.

The goal is to make sure we maintain the proper diversification in each member's portfolio for their risk tolerance, and to make sure their portfolio is invested based on the target allocations of their strategy. To do this, we regularly trade and rebalance members' portfolios at no cost to make sure their weightings across their investments stay on track.

Chart left:
Portfolios drift from starting allocation over time.

Latest data point is November 2019.

BETTER STARTS HERE

MoneyLion believes everyone deserves a path to their dreams, and we're helping millions of Americans to start investing and feel more confident about their futures for the first time.

To learn more, please visit **moneylion.com** or download the MoneyLion app.

Disclaimer: Investment advisory services provided by ML Wealth LLC. Investment Accounts Are Not FDIC Insured • No Bank Guarantee • Investments May Lose Value. For important information and disclaimers relating to the MoneyLion Investment Account, see **Investment Account FAQs** and **FORM ADV**. Accounts are subject to administrative fee of $1 per month.

TEAM EXPERIENCE

INDUSTRY LEADERS

Our team at MoneyLion has years of experience and has come from some of the most well known firms in the industry.

Morgan Stanley

Goldman Sachs

STIFEL

MERRILL
A BANK OF AMERICA COMPANY

J.P.Morgan

CITADEL

BARCLAYS

E*TRADE

STASH

HERE WE EARN

MoneyLion®