

Interactive Brokers Group's Covestor Launches its First Smart Beta Portfolios

Brings more products and convenience of online investing to individuals and advisors

GREENWICH, Conn. – February 23, 2017 (BUSINESS WIRE) — [Interactive Brokers Group](#), Inc. (NASDAQ GS: IBKR), an automated global electronic broker and market maker, announced today the launch of 10 Smart Beta portfolios. The new portfolios are managed by [Interactive Brokers Group's Covestor](#) subsidiary, a pioneer in online investing.

“These are unique products that combine the advantages of actively-managed mutual fund stock-selection techniques and the low cost of exchange traded funds,” said Thomas Peterffy, Chairman and CEO of Interactive Brokers Group, Inc.

The 10 [Covestor Smart Beta portfolios](#) have low management fees of 0.08%, industry-low brokerage fees ranging between 0.01% and 0.15% depending on investment amount, and investment minimums of \$5,000. The initial Covestor Smart Beta products include broad-based equity, value, growth, quality and highdividend portfolios.

“Covestor Smart Beta portfolios find the sweet spot between ETFs and mutual funds,” said Sanjoy Ghosh, Covestor’s Chief Investment Officer. “They are designed to provide broad market exposure and potentially higher returns than passively-managed index trackers.”

Ghosh and his Investment Management Team have significant experience in managing quantitatively-oriented active equity strategies designed to compete with actively-traded funds in a disciplined manner.

The 10 new Covestor Smart Beta portfolios include:

[BRMCOV™: Broad Market Portfolio](#) - designed to systematically deliver return and risk characteristics of large- and-mid-cap stocks within the US equity market.

[DIVCOV™ : Dividend Portfolio](#) - designed to systematically deliver return and risk characteristics of large- and mid-cap high-dividend stocks within the US equity market.

[GROCOV™ : Growth Portfolio](#) - designed to systematically deliver return and risk characteristics of large- and mid-cap growth stocks within the US equity market.

[QALCOV™ : Quality Portfolio](#) - designed to systematically deliver return and risk characteristics of large- and mid-cap quality stocks within the US equity market.

[VALCOV™ : Value Portfolio](#) - designed to systematically deliver return and risk characteristics of large- and mid-cap value stocks within the US equity market.

[smBRMCOV™ : Small Cap Broad Market Portfolio](#) - designed to systematically deliver return and risk characteristics of small-cap stocks within the US equity market.

[smDIVCOV™ : Small Cap Dividend Portfolio](#) - designed to systematically deliver return and risk characteristics of small-cap high-dividend stocks within the US equity market.

[smGROCOV™ : Small Cap Growth Portfolio](#) - designed to systematically deliver return and risk characteristics of small-cap growth stocks within the US equity market.

[smQALCOV™ : Small Cap Quality Portfolio](#) - designed to systematically deliver return and risk characteristics of small-cap quality stocks within the US equity market.

[smVALCOV™ : Small Cap Value Portfolio](#) - designed to systematically deliver return and risk characteristics of small-cap value stocks within the US equity market. Individual investors and advisors (on their clients' behalf) can invest in the Covestor Smart Beta portfolios on the Covestor website. Clients' Smart Beta portfolio investments are held in clients' own brokerage accounts at Interactive Brokers LLC. Covestor automatically rebalances these portfolios and its clients' investments in them on a quarterly basis. More information on the new Covestor

Smart Beta products is available [here](#).

Covestor's Smart Beta Portfolios mainly invest in stocks and are not suitable for all investors. You may lose all or part of the principal invested in these portfolios, and their 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. Brokerage services are provided to Covestor clients by Interactive Brokers LLC, a broker-dealer registered with the Securities and Exchange Commission (SEC) and member NYSE/FINRA/SIPC.

About Interactive Brokers Group, Inc.

Interactive Brokers Group affiliates provide automated trade execution and custody of securities, commodities and foreign exchange around the clock on over 120 markets in numerous countries and currencies from a single IBKR Integrated Investment Account to customers worldwide. We service individual investors, hedge funds, proprietary trading groups, financial advisors and introducing brokers. Our four decades of focus on technology and automation have enabled us to equip our customers with a uniquely sophisticated platform to manage their investment portfolios at extremely low cost relative to the financial services industry. We strive to provide our customers with advantageous execution prices and trading, risk and portfolio management tools, research facilities and investment products, all at unusually low prices, positioning them to achieve superior returns by providing low costs compared to our competitors. Interactive Brokers Group acquired Covestor in 2015 to further expand its service offerings to clients.

About Covestor Ltd.

Covestor Ltd. is an investment adviser registered with the SEC. Covestor offers an online investment platform through which its clients can invest in a variety of Smart Beta and third-party portfolio manager portfolios, based on a risk scoring methodology. The portfolios focus on a variety of investment strategies, including equities and options. Additional information about Covestor, including the Informational Brochure, may be found at covestor.com.

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