

# WEALTHFRONT CLIENT AGREEMENTS

## IRA Automated Investing Account

Updated: August 1, 2025

These are the agreements and other documents that establish and govern the Individual Retirement Account (“IRA”) client relationship with Wealthfront Advisers LLC and Wealthfront Brokerage LLC.

TO BECOME AN IRA CLIENT OF WEALTHFRONT ADVISERS LLC, YOU AGREE TO THE FOLLOWING AGREEMENTS (EACH, AN “**AGREEMENT**” AND, COLLECTIVELY, THE “**AGREEMENTS**”) AND AGREE TO BE LEGALLY BOUND BY EACH AGREEMENT’S TERMS AND CONDITIONS:

- (1) the IRA Automated Investing Account Advisory Client Agreement between you and Wealthfront Advisers LLC (“**Wealthfront Advisers**”), an SEC-registered investment adviser and a wholly owned subsidiary of Wealthfront Corporation;
- (2) the IRA Automated Investing Account Customer Brokerage and Custody Agreement between you and Wealthfront Brokerage LLC (“**Wealthfront Brokerage**”);
- (3) depending on whether you are establishing a traditional IRA or a Roth IRA, as the case may be, the (i) Traditional IRA Custodial Account Agreement or (ii) Roth IRA Custodial Account Agreement, in each case between you and Forge Trust Co. (“**Custodian**”), together in either case with the related Traditional and Roth IRA Combined Disclosure Statement and IRA Account Acceptance.
- (4) the ESIGN Consent to Use Electronic Records, Disclosures and Signatures; and
- (5) the Privacy Policy.

BEFORE ENTERING INTO THE AGREEMENTS, YOU MUST READ AND CONSIDER EACH AGREEMENT CAREFULLY AND CONTACT WEALTHFRONT ADVISERS OR WEALTHFRONT BROKERAGE OR CUSTODIAN TO ASK ANY QUESTIONS YOU MAY HAVE. CLICKING THAT YOU AGREE HAS THE SAME LEGAL EFFECT AS SIGNING A PAPER VERSION OF EACH AGREEMENT. BY CLICKING THAT YOU AGREE DURING THE APPLICATION PROCESS, YOU ACKNOWLEDGE AND AGREE THAT:

- EACH AGREEMENT MAY BE AMENDED FROM TIME TO TIME WITHOUT PRIOR NOTICE TO OR CONSENT FROM YOU.
- THE CURRENT AND APPLICABLE AGREEMENTS WILL BE AVAILABLE ON THE WEALTHFRONT ADVISERS’ WEBSITE AT [WWW.WEALTHFRONT.COM](http://WWW.WEALTHFRONT.COM) (the “**SITE**”) AND THROUGH THE WEALTHFRONT MOBILE APPLICATION (THE “**APP**”).
- YOU WILL CHECK THE SITE OR THE APP FOR AMENDED VERSIONS OF THE AGREEMENTS.
- BY KEEPING YOUR CLIENT ACCOUNT WITH WEALTHFRONT ADVISERS OR BY CONTINUING TO USE SERVICES PROVIDED BY WEALTHFRONT ADVISERS AND/OR WEALTHFRONT BROKERAGE AND/OR CUSTODIAN WITHOUT OBJECTING TO AMENDMENTS OR NEW VERSIONS OF ANY AGREEMENT POSTED ON THE SITE OR THE APP, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY AMENDED AGREEMENT, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS.
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE IRA ADVISORY CLIENT AGREEMENT AND THE IRA CUSTOMER BROKERAGE AND CUSTODY AGREEMENT YOU ARE AGREEING TO RESOLVE ANY DISPUTE BETWEEN YOU AND WEALTHFRONT ADVISERS AND WEALTHFRONT BROKERAGE THROUGH BINDING, INDIVIDUAL, PRIVATE ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 21 OF THE IRA ADVISORY AGREEMENT AND SECTION 16 OF THE IRA CUSTOMER BROKERAGE AND CUSTODY AGREEMENT FOR DETAILS REGARDING THE BINDING WAIVER OF YOUR RIGHT TO RESOLVE DISPUTES IN COURT IN FAVOR OF PRIVATE ARBITRATION. CLIENT ACKNOWLEDGES RECEIPT OF A COPY OF THE IRA ADVISORY CLIENT AGREEMENT AND THE CUSTOMER BROKERAGE AND CUSTODY AGREEMENT, INCLUDING THE ABOVE-REFERENCED ARBITRATION CLAUSES.**

Further, by clicking that you agree during the application process, you also acknowledge and agree that:

- Two different affiliated entities, Wealthfront Advisers and Wealthfront Brokerage, and one unaffiliated entity, Custodian, will provide you with services, as applicable, pursuant to the Agreements described above.
- Wealthfront Advisers, Wealthfront Brokerage and Custodian each have separate agreements with you that allocate separate sets of rights and obligations between you and each of them in connection with the specific services provided by each.
- Wealthfront Advisers is not responsible for the obligations of Wealthfront Brokerage, and Wealthfront Brokerage is not responsible for the obligations of Wealthfront Advisers. Similarly, neither Wealthfront Advisers nor Wealthfront Brokerage is responsible for the obligations of Custodian and that Custodian is not responsible for the obligations of either Wealthfront Advisers or Wealthfront Brokerage.
- Wealthfront Advisers and Wealthfront Brokerage do not indemnify each other or Custodian in connection with any of the Agreements, and Custodian does not indemnify either Wealthfront Advisers or Wealthfront Brokerage in connection with any of the Agreements.
- Wealthfront Advisers, Wealthfront Brokerage and Custodian each may, subject to applicable laws and regulations, engage vendors or other contractors to assist in the fulfillment of their respective duties to you, or otherwise, under the Agreements.
- The services you receive are sufficient consideration for you to enter into the Agreements.
- If you opt-out to any of these Agreements or portions of these Agreements, Wealthfront Advisers may choose to terminate the IRA Advisory Client Agreement with you, and your account with Wealthfront Brokerage and Custodian will subsequently be closed.

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**Wealthfront Advisers LLC**  
**IRA Automated Investing Account Advisory Client Agreement**

*Revision date: June 2025*

The beneficial owner (the “Account Holder” or “Client”) of an Individual Retirement Account (the “IRA Account”) is entering this IRA Advisory Client Agreement (this “Agreement”) with Wealthfront Advisers LLC, a Delaware limited liability company and an SEC-registered investment adviser (“Wealthfront Advisers”). This Agreement is solely available to lawful residents of the United States and its territories. The IRA Account shall be administered by Forge Trust Co. (“Forge”) acting as the Custodian in regard to the IRA Account pursuant to either, as the case may be, a Traditional IRA Custodial Account Agreement, together with the Combined Traditional and Roth IRA Combined Disclosure Statement and IRA Account Acceptance (collectively, the “Traditional Agreement”) or a Roth IRA Custodial Account Agreement, together with the Combined Traditional and Roth IRA Combined Disclosure Statement and IRA Account Acceptance (collectively, the “Roth Agreement” and each of the Traditional Agreement and the Roth Agreement, individually and collectively, the “Custodial Agreement”). This Agreement shall be effective as of the first day a brokerage account is opened in connection with this Agreement and is ready to receive trading instructions from Wealthfront Advisers (the “Effective Date”). While Forge acts as administrator and custodian for the IRA Account, the brokerage account is maintained in connection with the Custodial Agreement referenced in Article Viii.5.d of the Traditional Agreement or Article IX.5.d of the Roth Agreement, as the case may be, and shall be in the name of the Custodian as custodian of the IRA Account for the benefit of Client under the Custodial Agreement, and Wealthfront Brokerage shall be the “securities broker/dealer” referenced in those respective provisions of the Traditional Agreement or the Roth Agreement referenced in the immediately preceding sentence. In consideration of the mutual covenants herein, Client and Wealthfront Advisers agree as follows:

**1. Services**

Client appoints Wealthfront Advisers to exclusively manage one or more IRA Account(s) established and owned by Client at Wealthfront Brokerage (each the “Client Account,” “IRA Automated Investing Account” or “Account”). In this capacity, Wealthfront Advisers shall manage the Accounts in accordance with an investment plan recommended by Wealthfront Advisers to Client from time to time based on objectives, risk tolerance, and other profile information for the Account provided by Client (“Investment Profile”) and in accordance with certain additional investment options that may be designated by Client (the “Plan”). For “Client-Defined Portfolios”—Wealthfront Advisers’ recommended Investment Profile customized by Client, Wealthfront Advisers shall manage such Client- Defined Portfolio in accordance with the investment allocation elected by Client, although Wealthfront Advisers retains full investment discretion over such Client-Defined Portfolio and its allocation. Client authorizes Wealthfront Advisers to supervise and direct the investment and reinvestment of assets in the Client Accounts, with full authority and discretion (without consultation with the Client), on the Client’s behalf and at the Client’s risk, and in accordance with the Client’s Plan, to purchase and sell eligible assets and securities, including but not limited to stocks, exchange-traded funds (“ETFs”), mutual funds (including without limitation money market mutual funds as separate investments from the Plan), and/or similarly traded instruments that are regulated as securities and not as commodities (collectively “Securities”), as well as to manage cash balances within the Client Accounts. Without in any way limiting the foregoing and for the avoidance of doubt, Client cannot issue individual trading instructions to Wealthfront Advisers or to Wealthfront Brokerage to purchase and/or sell specific Securities to be executed at particular times, provided however, if Client has opted for certain PassivePlus investment options that invest in individual issuers of Securities as part of the Client’s Plan, then Wealthfront Advisers, in its sole and absolute discretion and without any obligation to the Client in each case, may permit Client to restrict the purchase of one or more issuers of Securities in his or her Account. Only Wealthfront Advisers shall have authority to issue trading instructions to purchase and sell Securities in the Client Accounts based on the discretionary authority granted to Wealthfront Advisers by Client under this Agreement. Wealthfront Advisers shall not have any duty or obligation to advise or take any action on behalf of Client in, or in connection with, any legal proceedings, including bankruptcies or class actions, involving Securities held in, or formerly held in, the Account, or involving the issuers of such Securities.

Notwithstanding anything in this Agreement to the contrary, Wealthfront Advisers shall have no authority hereunder to take or have possession of any assets in the Account or to direct delivery of any Securities or payment of any funds held in the Account to itself or to direct any disposition of such Securities or funds, except to Client, as directed by Client, pursuant to valid legal authority, or as provided in Section 5 (entitled “Fees and Compensation”).

**2. Representations and Warranties.**

- (a) Client represents and warrants to Wealthfront Advisers and agrees with Wealthfront Advisers as follows:
  - i. Client has the requisite legal capacity, authority, and power to execute, deliver and perform his or her

obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid, and binding agreement of Client, enforceable against Client in accordance with its terms. Client's execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound, whether arising by contract, operation of law or otherwise. Client's social security number provided by Client is true and correct.

ii. Client is the beneficial owner or co-owner of all cash and Securities in the Account, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such cash or Securities.

iii. Client acknowledges that a Plan may include only a single ETF for each asset class within the Plan, with each ETF playing a necessary role in the overall investment strategy and, therefore, Client understands and acknowledges that the Client cannot force exclusions or restrictions of ETFs recommended by Wealthfront Advisers as part of the Plan.

iv. Client acknowledges that Wealthfront Advisers retains full discretion over Client-Defined Portfolios and that Client-Defined Portfolio allocations are suggestions and not directed trades.

v. Client has provided, and will continue to provide, Wealthfront Advisers with complete, current, and accurate information about Client's identity, background, net worth, investing timeframe, other risk considerations, any Securities from which Client may be or become legally restricted from buying or selling and other investment accounts in the Investment Profile and will promptly update that information as Client's circumstances change.

vi. It will be Client's responsibility to read all information provided by Wealthfront Advisers related to transactions in Client's Account, including all recommendations and advice available to Client on the Site and in the App. Client further agrees that Wealthfront Advisers will only transmit such recommendations and advice to Client via the App and/or the Site and has no obligation to deliver any investment advice or recommendations to Client in another manner, for example, via telephone or in an in-person meeting. Client agrees that it is Client's obligation to monitor all communications available from Wealthfront Advisers via email, on the Site, and in the App.

vii. Client acknowledges that the Wealthfront Advisers and Wealthfront Brokerage are subject to certain anti-money laundering ("AML") and related provisions under applicable laws, rules, and regulations and are otherwise prohibited from engaging in transactions with, or providing services to, certain foreign countries, territories, entities and individuals, including without limitation, specially designated nationals, specially designated narcotics traffickers, and other parties subject to United States government or United Nations sanctions and embargo programs (collectively "AML Laws"). Accordingly, Client hereby represents and warrants the following and shall promptly notify Wealthfront Advisers if any of the following ceases to be true and accurate: (a) to the best of the Client's knowledge based upon appropriate diligence and investigation, none of the cash, eligible assets, or property that the Client has delivered, or will deliver, or has paid, or will pay, to Wealthfront Advisers, any of its affiliates or its clearing broker has been or shall be derived from or related to any activity that is deemed criminal under, or otherwise contrary to, United States law, nor will any of the Client's deliveries to the Account or payments to Wealthfront Advisers directly or indirectly contravene United States federal, state, international or other laws or regulations, including without limitation any AML Laws and (b) no contribution or payment by, or on behalf of, Client to Wealthfront Advisers shall cause Wealthfront Advisers or Wealthfront Brokerage to be in violation of any AML Laws. Client understands and agrees that if at any time it is discovered that any of the representations in this Section 2(a)(vii) are untrue or inaccurate, or if it suspects that such is the case, or if otherwise required by applicable law or regulation related to money laundering and similar activities, Wealthfront Advisers may undertake appropriate actions to ensure compliance with applicable law or regulation, including, but not limited to, freezing or forcing a withdrawal of the Client's cash or assets from Wealthfront Advisers and notifying regulatory authorities, including without limitation, through filing of one or more suspicious activity reports. Client further understands and agrees that Client's access to products and services may be restricted while in certain foreign countries or territories, in accordance with AML Laws and policies of Wealthfront Brokerage, its clearing broker, and Wealthfront Advisers.

viii. Client acknowledges that Wealthfront Advisers or Wealthfront Brokerage may require further documentation verifying Client's identity or the identity of the Client's beneficial owners, if any, and the source of funds used to make deliveries to the Account or payment to Wealthfront Advisers. Client hereby agrees to provide such documentation as may be requested by Wealthfront Advisers. Furthermore, Client acknowledges and agrees that Wealthfront Advisers and Wealthfront Brokerage may release confidential information regarding Client and, if applicable, any of Client's beneficial owners, to government authorities, if Wealthfront Advisers, in its sole discretion, determines that releasing such information is permitted or required by applicable law or industry regulation.

ix. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to Wealthfront Advisers for the purpose of public display, then Client hereby grants permission to Wealthfront

Advisers to use the provided photograph of Client's likeness, Client's name and/or other personal information, in a commercially reasonable manner on its website [www.wealthfront.com](http://www.wealthfront.com) (the "Site") or its related mobile application (the "App"), on any related and/or affiliated sites, and in marketing materials now and in the future, until such time as this Agreement is terminated by either party. Client waives any and all rights to compensation as a result of such use of Client's explicitly provided photograph of Client's likeness, Client's name and/or other information.

x. Client also understands that Client must have access to a mobile phone capable of receiving SMS text message communications in order to create and maintain an Account.

xi. As of the Effective Date, and at all times during the term of this Agreement, the Account (1) shall be either an individual retirement account as described in section 408 of the Internal Revenue Code of 1986, as amended, (the "Code") or a tax-qualified plan described in section 401(a) of the Code that is an "owner only" plan, and (2) shall not be an "employee benefit plan" within the meaning of the Federal Employee Retirement Income Security Act of 1974, as amended.

xii. Client has received and read, understands and agrees to the Custodial Agreement. These documents are incorporated herein by reference. Client has read and understands the instructions in the Custodial Agreement.

xiii. Client has engaged Forge to serve as Custodian of and to administer the IRA Account under the Custodial Agreement but understands that Forge is not an investment adviser nor does Forge supervise or control Wealthfront Advisers.

xiv. Client understands and acknowledges that Wealthfront Advisers can only take instructions from Client and cannot accept instructions provided by any third-party pursuant to a power-of-attorney document or any other document.

xv. Client agrees to use Wealthfront Advisers solely for Client's personal, non-commercial use, and not in connection with professional corporate use including, but not limited to, any competitive analysis (as determined by Wealthfront Advisers).

xvi. Client acknowledges and agrees that the Account is subject to the laws and regulations of various governmental and self-regulatory organizations, which at times may require Wealthfront Advisers and its affiliates to take action with respect to the Account, including, but not limited to, suspending, restricting, or terminating transactions and transfers.

(b) Client understands and agrees that (A) neither Wealthfront Brokerage nor Wealthfront Advisers guarantees the performance of the Account, guarantees a profit, or protects against losses, including loss in principal value; (B) the Account is not insured against loss of income or principal; (C) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Account could suffer substantial diminution in value, and this risk applies even when the Account is managed by an investment adviser; (D) the past performance of any benchmark, market index, ETF, or other Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; (E) Wealthfront Advisers will cause the Account to invest in Securities substantially in the proportions set forth by the Plan (subject to the profile information received from Client and to various other factors, including without limitation Client deposits or withdrawals, variations in the allocations due to movements in the prices of Securities over time, revisions of the Plan by Wealthfront Advisers from time-to-time consistent with Client's profile information, and Client's elections); (F) Wealthfront Advisers will provide only the specific reviews and restrictions described in this Agreement and will not otherwise review or control such Account; and (G) there are significant risks associated with any investment program and with exposure to the securities markets and other eligible assets markets.

i. Client understands and agrees that Wealthfront Advisers' sole obligation hereunder or otherwise is to manage the Account in accordance with the Plan, and Client has not engaged Wealthfront Advisers to provide any individual financial planning services. Client understands and agrees that Wealthfront Advisers may at any time in its sole discretion determine that an Account may require reallocation of Securities.

ii. Client understands and agrees that the Account will be managed solely by Wealthfront Advisers based on the information Client has provided to Wealthfront Advisers. Client further understands that if any of the information Client provides to Wealthfront Advisers is or becomes incomplete or inaccurate, the Account's activities may change and, as a result, would be less likely to achieve Client's desired investment or tax strategy; or the Account may purchase Securities from which Client is restricted from purchasing at that time or the Plan may otherwise be inappropriate for Client.. An Account's transactions may be aggregated with and/or executed at approximately the

same time as transactions in other client accounts managed by Wealthfront Advisers or which have engaged Wealthfront Advisers to act as the Client's investment adviser. As a result of such transaction aggregations, which Wealthfront Brokerage, as agent for Wealthfront Advisers, is permitted to carry out, the price at which Client's transaction is executed may be different than it would be if Client's transaction was executed on an individual basis and may be less advantageous.

iii. Client understands and agrees that Wealthfront Advisers has sole discretion regarding the manner in which transaction orders are placed for the purchase and sale of Securities for the Client Account(s). Client further understands and agrees that prices of Securities purchased and sold for the Client Account(s) may be less favorable than the prices obtained for the same Securities in similar transactions by other client accounts managed by Wealthfront Advisers and/or other non-related market participants.

iv. Client understands and agrees that an Account's composition and performance may be different for a variety of reasons from those of any Plan recommendation to a Client. These differences can arise each time the Plan is adjusted or rebalanced, including, but not limited to, the following instances: (A) when the Account is established and the initial Securities positions are established; (B) when Client contributes additional capital to such Account; (C) when Client revises the Investment Profile, makes any elections or changes to their allocations, or takes any other action that causes Wealthfront Advisers to recommend a new Plan or revise the existing Plan; (D) each time the Advisory Fee (described in Section 5 of this Agreement) is charged and paid from such Account; and (E) any time Wealthfront Advisers adjusts its algorithm by which the composition of the Account is maintained as specified for the Plan. On any such adjustment, Wealthfront Advisers may adjust the Plan in its discretion to approximate the composition specified in the Plan as closely as reasonably practicable based on the conditions at the time.

v. Client understands and agrees that the prices of Securities purchased or sold for the Account may be less favorable than the prices in similar transactions for other Wealthfront Advisers' Clients for whom Wealthfront Advisers has designated different Plans.

vi. Client understands and agrees that the Account must maintain at all times a minimum balance (\$500 or as otherwise specified by Wealthfront Advisers on the Site or App) unless the balance drops below the specified minimum due solely to decreases in the values of the Account's Securities and not due to any withdrawals of funds while the balance of the Account met the minimum as provided in this Section 2(b)(vi). Without in any way limiting Wealthfront Advisers' rights pursuant to Section 14 hereof, if the Account balance falls below the specified minimum, Wealthfront Advisers may liquidate the Account holdings, deliver the proceeds of the liquidation to Client, and close the Account.

### **3. Custody**

Client has appointed Wealthfront Brokerage, through its clearing broker, as its broker and custodian for the Account pursuant to a separate "IRA Automated Investing Account Customer Brokerage and Custody Agreement." Wealthfront Advisers shall not be liable to Client for any act, conduct or omission by Wealthfront Brokerage and/or the clearing broker in their capacity as broker or custodian. At no time will Wealthfront Advisers accept, maintain possession, or have custodial responsibility for Client's assets or Securities. Client assets and Securities will be delivered to the Account exclusively by Wealthfront Brokerage and its clearing broker and consistent with their delivery and settlement instructions.

### **4. Confidentiality**

Except as required by law or requested by regulatory authorities, (a) Wealthfront Advisers agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to Wealthfront Advisers, except for information that Client explicitly agrees to share publicly, and (b) Client agrees to maintain in strict confidence all investment advice and other non-public information that Client acquires from Wealthfront Advisers in connection with the Account. Client agrees that Client shall not use investment recommendations and other confidential information Client receives from Wealthfront Advisers for any purpose other than managing the Account, including, but not limited to, developing a service that competes with the Site or Wealthfront Advisers' services. Client acknowledges receipt of and consents to Wealthfront Advisers' Privacy Policy available at [www.wealthfront.com/legal/privacy](http://www.wealthfront.com/legal/privacy). Client understands, acknowledges, and agrees that Client can opt-out of certain portions of the Wealthfront Advisers Privacy Policy at any time; however, if the Client does opt out, Wealthfront Advisers may choose to terminate this Agreement and all related Accounts. Notwithstanding any provisions in this Agreement to the contrary, Wealthfront Advisers may share Client's non-public personal and financial information with affiliates of Wealthfront Advisers in connection with providing and/or enhancing the services provided to Client.

## **5. Fees and Compensation**

Wealthfront Advisers specifies the annual advisory fee rate it charges for the products and services provided to Client under this Agreement (the "Advisory Fee") and posts the Advisory Fee on the Client's Account page on the Site and the App. Fees due shall be calculated by multiplying the Advisory Fee by the net market value of the Account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then by dividing by 365 (except in any leap year, during which year the amount shall be divided by 366). Except as provided below, the fees due for each calendar month (consisting of the aggregate of the daily fee for each day in that calendar month) shall be due and payable in arrears no later than the tenth business day of the immediately following calendar month. Wealthfront Advisers will promptly notify Client of any increase or decrease in the Advisory Fee. An increase in the Advisory Fee will be effective for the Account starting in the next month that begins at least 30 days after Wealthfront Advisers sends or posts such notice. A reduction in the Advisory Fee will be effective for the Account starting in the next month following its reduction.

(a) If Client closes the Account, withdraws the entire balance of the Account, or otherwise terminates this Agreement on any date other than the last business day of the month, Wealthfront Advisers will continue to collect the Advisory Fee as described herein through the effective date of such withdrawal or termination.

(b) If, for any reason, Wealthfront Advisers closes and liquidates all the positions held in the Account, Client will receive the proceeds of the liquidated portion of the Account net of any Advisory Fee due, and this Agreement shall terminate.

(c) If, for any reason, there is insufficient cash available in the Account to cover the Advisory Fees at the time they are charged, Wealthfront Advisers, in its sole discretion, may cause certain Securities in the Account to be liquidated to allow the Advisory Fee to be deducted from the Account.

(d) Wealthfront Advisers reserves the right, in its sole and absolute discretion, to reduce or waive the Advisory Fee for certain Client Accounts for any period of time determined by Wealthfront Advisers. In addition, Client agrees that Wealthfront Advisers may waive its fees for the Accounts of clients other than Client, without notice to Client and without waiving its fees for Client. In exercise of its sole and absolute discretion Wealthfront Advisers may amend or terminate any reduction or waiver of the Advisory Fee. Wealthfront Advisers will promptly notify Client of any increase or decrease in the reduction or waiver of the Advisory Fee. A change in the waiver or reduction of the Advisory Fee will be effective for the Account starting in the next month that begins at least 30 days after Wealthfront Advisers sends or posts such notice.

## **6. Valuation**

The assets in the Account will be valued by Wealthfront Brokerage.

## **7. Responsibility for Expenses**

Wealthfront Advisers earns an Advisory Fee as provided in Section 5. Clients may bear additional fees, however, such as fees embedded in the products (including without limitation ETFs or mutual funds) held in the Account. Furthermore, Wealthfront Brokerage may charge Clients additional fees or expenses for optional brokerage services or products. Client shall be responsible for tax withholding on the Account.

## **8. Payment of Fees**

Wealthfront Advisers may, in its discretion, either (a) cause the Account to pay to Wealthfront Advisers any amount owing to Wealthfront Advisers or Wealthfront Brokerage under this Agreement or (b) bill Client for such amount, in which case Client shall pay such amount to Wealthfront Advisers within ten (10) days of Client's receipt of such bill. If Wealthfront Advisers causes the Account to pay Wealthfront Advisers or Wealthfront Brokerage directly, Wealthfront Advisers will inform Wealthfront Brokerage of the amount of the Advisory Fee to be paid to Wealthfront Advisers directly from the Account and notify Client, after the Advisory Fee has been charged, the amount of the Advisory Fee and the net market values of Client's assets on which the Advisory Fee has been based. Notification to Client will be through Client's user account on the Site, the App, or by email at the address(es) provided by Client to Wealthfront Advisers.

## **9. Portfolio Transactions**

(a) Wealthfront Advisers' will route orders for the execution of transactions for the Client Account to Wealthfront Brokerage, for on-routing to third party broker-dealers in accordance with Wealthfront Advisers' Form ADV Part 2 (available at [https://www.wealthfront.com/static/documents/form\\_adv\\_part\\_2.pdf](https://www.wealthfront.com/static/documents/form_adv_part_2.pdf) as may be amended from time to time. By entering this Agreement, Client acknowledges that Client has received and considered the Form ADV Part 2. In seeking to achieve best

execution, Wealthfront Advisers shall not have any responsibility for obtaining for the Account the lowest possible prices or any particular commission rates.

(b) Client agrees that Wealthfront Advisers, or any person controlling, controlled by, or under common control with Wealthfront Advisers, may act as broker for both Client and for another person on the other side of any transaction involving funds or Securities in the Account (“Agency Cross Transaction”). Client recognizes that Wealthfront Advisers or its affiliates may receive commissions and have a potentially conflicting division of loyalties and responsibilities regarding both parties to such Agency Cross Transactions. If Wealthfront Advisers engages in an Agency Cross Transaction, Wealthfront Advisers or its designee will send to Client a written confirmation at or before the completion of each such Agency Cross Transaction, which confirmation will include (i) a statement of the nature of such Agency Cross Transaction, (ii) the date such Agency Cross Transaction shall have taken place, (iii) an offer to furnish, on request, the time when such Agency Cross Transaction shall have taken place, and (iv) the source and amount of any other remuneration received or to be received by Wealthfront Advisers or any of its affiliates in connection with such Agency Cross Transaction. Wealthfront Advisers shall also send to Client, at least annually, a written statement identifying the total amount of such Agency Cross Transactions during the period included in the statement, and the total commissions or other remuneration received or to be received by Wealthfront Advisers or any of its affiliates in connection with such Agency Cross Transaction included in the statement. The consent to Agency Cross Transactions set forth in this Section may be revoked by Client at any time by notifying Wealthfront Advisers in writing.

(c) Wealthfront Advisers may make available for investment certain products that are offered by or affiliated with Wealthfront Advisers and/or its affiliates. Client understands that Wealthfront Advisers and its affiliates may receive compensation for services, including advisory services and other services, provided to such affiliated products. To the extent Client is invested in such products, Client will bear its proportional share of such compensation. Client should refer to the applicable Form ADV Part 2 for a description of the conflicts of interest that may be associated with the offering of affiliated investment products. By entering this Agreement, Client acknowledges that Wealthfront may have conflicts of interest in connection with providing advice to clients, and Client hereby consents to such conflicts to the extent disclosed by Wealthfront Advisers.

## **10. Automated Savings Plan**

By enabling Wealthfront Advisers automatic cash allocation features (the “Automated Savings Plan” formerly known as “Autopilot”), Client expressly authorizes Wealthfront Advisers to periodically scan Client’s linked deposit account(s) or Cash Account for excess cash (as determined by Client in the App or Site). Client hereby also authorizes Wealthfront Advisers to instruct Wealthfront Brokerage to withdraw funds from the designated account and deposit those funds into Client’s Account or Cash Account in accordance with the standing instructions Client provides in the App or Site. By enabling the Automated Savings Plan, Client acknowledges that Wealthfront Advisers relies on third-party linking data to provide the Automated Savings Plan, and Client understands that neither Wealthfront Advisers nor Wealthfront Brokerage guarantees the accuracy or completeness of such third-party data. Client also understands that Wealthfront Brokerage relies on third-parties to effect banking transactions and cannot guarantee the speed or timing in which those third-parties conduct transactions related to the Automated Savings Plan or the Cash Account.

By enabling the Automated Savings Plan, Client expressly agrees to hold Wealthfront Advisers, as well as its affiliates and Indemnified Persons (as defined below), harmless for any and all claimed losses, damages, liabilities, and expenses that arise, either directly or indirectly, out of transactions initiated by Wealthfront Advisers in connection with the Automated Savings Plan or the Cash Account, including, but not limited to, overdraft fees, tax liabilities, and transaction fees. Furthermore, Client acknowledges that Client must provide Wealthfront Advisers a reasonable amount of time to act upon revocation of authorization of the Automated Savings Plan, in each instance, no less than one (1) full Federal Reserve System business day prior to a scheduled withdrawal.

## **11. Client-Defined Portfolios**

Client authorizes Wealthfront Advisers to effect Securities transactions in Client’s Account in accordance with the Security selection and allocation elected by Client. However, Client understands and agrees that Wealthfront Advisers retains full discretion over Client-Defined Portfolios. In certain situations, Securities and allocations in the Client- Defined Portfolio may differ from Securities and allocations elected by Client. A lack of liquidity, market conditions, unavailable pricing, software failure, tax considerations, wash sale prevention, and other factors may prevent Wealthfront Advisers from effecting transactions in accordance with Client’s specified elections

## **12. Limitation of Liability and Indemnification**

To the extent permitted under applicable law, Client indemnifies and holds harmless Wealthfront Advisers, its affiliates and their directors, managers, members, officers, shareholders, employees and any person controlled by or controlling Wealthfront Advisers (the Indemnified Persons) against any and all losses, expenses, damages, liabilities, charges, and claims of any kind or

nature whatsoever (including without limitation any legal expenses and costs and expenses relating to investigating or defending any demands, charges and claims) (collectively, “Losses”) incurred by virtue of acting on instructions of Client with respect to any Accounts, except to the extent that such Losses are actual losses of the Client proven with reasonable certainty and are the direct result of an act or omission taken or omitted by Wealthfront Advisers during the term of this Agreement which constitutes negligence or malfeasance, violation of applicable law, bad faith, or disregard of their respective obligations under this Agreement or as otherwise may be provided by law. Without limitation, the Indemnified Persons shall not be liable for Losses resulting from or in any way arising out of (i) any action of Client, its previous advisers or other agents including any Client Representative, any investment product or its affiliates or agents, or any third party broker or agent utilized by an investment product to effect transactions for the Account; (ii) force majeure or other events beyond the control of Wealthfront Advisers, including without limitation any failure, default or delay in performance resulting from government restrictions, regulatory requirements or actions, exchange market rulings, suspension of trading, acts of war, credit losses, reduced liquidity, elevated market volatility, computer or other electronic or mechanical equipment failure, unauthorized access, strikes, failure of common carrier or utility systems, severe weather or breakdown in communications not reasonably within the control of Wealthfront Advisers or other causes commonly known as “acts of God”; (iii) taxes, fines, or penalties payable by Client or any third-party; (iv) special, consequential, or incidental damages; (v) any misstatement or omission in third-party investment product descriptions, marketing materials, organizational documents, disclosure documents, or any other documents; (vi) the authorization (or lack thereof) of any Client Representative; or (vii) market conditions or investment performance unrelated to any violation of this Agreement by Wealthfront Advisers or Wealthfront Advisers’ negligence or malfeasance, violation of applicable law, bad faith, or disregard of its obligations under this Agreement or as otherwise may be provided by law. Client further agrees and acknowledges that all transactions are at Client’s risk and that the Indemnified Parties are not guaranteeing, or otherwise making representations with respect to, the performance of the Account. This indemnity shall be binding upon Client’s heirs, successors, and assigns. Notwithstanding anything in this Section or otherwise in this Agreement to the contrary, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws, except to the extent lawfully modified in this Agreement. Nothing in this Agreement shall serve to limit the right of any Party with respect to the rules of applicable self-regulatory agencies, including rules relating to arbitration.

### **13. Proxies**

Client hereby gives Wealthfront Advisers the authority to vote proxies for Securities held in Client Accounts pursuant to Wealthfront Advisers’ written policies and procedures, as outlined in Wealthfront Advisers’ Form ADV Part 2. Wealthfront Advisers will be responsible for voting all proxies with respect to Securities held in Client Accounts and will keep required records regarding this activity.

### **14. Termination; Withdrawals**

This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to Wealthfront Advisers through the Site and by Wealthfront Advisers to Client through the primary email address in Client’s Account Application as Client shall update from time to time. Client may withdraw all or part of the Account by notifying Wealthfront Advisers at any time provided that all partial withdrawals comply with Wealthfront Advisers’ required Account minimums as posted on the Site and updated from time to time, unless Wealthfront Advisers otherwise consents in advance. Client’s withdrawal of all of the Account under this Agreement, or Client’s withdrawal that results in an Account balance below the minimum as provided in Section 2(b)(vi) hereof will terminate this Agreement. Upon termination of this Agreement, Sections 8 (only as to fees accruing prior to termination), 12, 14, 18, and 20 through 26 shall survive such termination. Client understands and agrees that upon termination of this Agreement Wealthfront Advisers may determine to liquidate immediately all holdings in the Plan and the Account, and subject to Section 12 hereof, Wealthfront Advisers shall not be liable to Client to any consequences of such liquidation.

### **15. Account Statements**

Client will receive account statements via electronic delivery from Wealthfront Brokerage, which are the official records of the Account. Wealthfront Advisers may also provide information about the Account from time to time.

### **16. Consent to Electronic Delivery**

Client hereby authorizes and instructs Wealthfront Advisers and Wealthfront Brokerage to deliver any type of document relating to the Account (including this Agreement, any other agreements, the Privacy Policy, Form ADV Part 2, account statements, and tax documents), instead of paper copies, by email to the email address Client provides to Wealthfront Advisers, by communication through the App, or by referring Client to a website via a link or otherwise. Account statements transmitted electronically from Wealthfront Brokerage are the official records of the Account. Client agrees that Client will maintain access to a computer or other device capable of accessing email and other communications from Wealthfront Advisers, including PDF files, and that Client is solely responsible for any printing costs, online provider fees, or other costs that may be incurred in accessing the

products and services. Client agrees that it will be solely Client's responsibility to maintain a functioning email account and address and that Wealthfront Advisers and Wealthfront Brokerage shall have no responsibility to ensure that delivery to the email address provided by Client is successful, for example, in the case of bounce-back notifications, or to send documents via an alternative method when a bounce-back notification or other error message appears, in the judgment of Wealthfront Advisers, to be the result of Client's failure to maintain a functioning email account capable of receiving email from Wealthfront Advisers. Client acknowledges and agrees that it may sometimes be necessary for Wealthfront Advisers to send paper copies to the mailing address provided by Client. Client also acknowledges and agrees that some documents may require Client to enroll in electronic delivery through other procedures.

## **17. Independent Contractor**

Wealthfront Advisers is and will hereafter act as an independent contractor and not as an employee of Client, and nothing in this Agreement may be interpreted or construed to create any employment, partnership, joint venture or other relationship between Wealthfront Advisers and Client.

## **18. Assignment**

Wealthfront Advisers may not assign this Agreement without the prior consent of Client or the consent of any additional authorized signatories on behalf of Client, if such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by Wealthfront Advisers, Wealthfront Advisers shall notify Client in writing of such assignment within a specified reasonable time (which shall not be less than thirty (30) days) for Client to opt out or object to the assignment. If Client does not opt out within the time specified, Client will have been deemed to consent to such assignment and the proposed assignee will continue the advisory services of Wealthfront Advisers. Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

## **19. Delivery of Information**

Client acknowledges electronic delivery of Wealthfront Advisers' brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of Wealthfront Advisers' Form ADV), which is available on the Site and the App and provided here by link:

[https://www.wealthfront.com/static/documents/form\\_adv\\_part\\_2.pdf](https://www.wealthfront.com/static/documents/form_adv_part_2.pdf)

On written request by Client, Wealthfront Advisers agrees to annually deliver electronically, without charge, Wealthfront Advisers' brochure required by the Advisers Act.

## **20. Governing Law**

This Agreement shall be governed exclusively by and construed and interpreted in accordance with the U.S. Federal Arbitration Act, federal arbitration law, and the laws of the State of California, excluding its provisions on conflicts or choice of laws. Except as otherwise expressly set forth in Section 21 of this Agreement below, any legal action or proceeding arising under this Agreement shall be brought exclusively in courts located in San Francisco, California or federal court for the Northern District of California, and the parties hereby irrevocably consent to the personal jurisdiction and venue therein.

## **21. Arbitration**

Any dispute, claim or controversy arising out of or relating to the advisory services provided by Wealthfront Advisers, this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate (each a "Dispute"), shall be **resolved solely by binding, individual arbitration rather than a class, representative or consolidated action or proceeding**. Client and Wealthfront Advisers each further agree that the U.S. Federal Arbitration Act governs the interpretation and enforcement of this Agreement, and that each party is waiving the right to a trial by jury or to participate in a class action. This arbitration provision shall survive termination of this Agreement.

(a) Exceptions. As limited exceptions to mandatory arbitration as set forth in this Section, the parties each retain the right to seek injunctive or other equitable relief from a court to prevent (or enjoin) the infringement or misappropriation of our intellectual property rights.

(b) Conducting Arbitration and Arbitration Rules. The arbitration will be conducted by the American Arbitration Association ("AAA") under its Consumer Arbitration Rules (the "AAA Rules") then in effect, except as modified by this Agreement. The AAA Rules are available at [www.adr.org](http://www.adr.org) or by calling 1-800-778-7879. A party who wishes to start arbitration

must submit a written Demand for Arbitration to AAA and give notice to the other party as specified in the AAA Rules. The AAA provides a form Demand for Arbitration at [www.adr.org](http://www.adr.org).

If Client's claim is for U.S. \$10,000 or less, Client may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic or video-conference hearing, or by an in- person hearing as established by the AAA Rules. If Client's claim exceeds U.S. \$10,000, the right to a hearing will be determined by the AAA Rules. Any arbitration hearings will take place in San Mateo County, California, unless the parties both agree in writing to a different location. Client and Wealthfront Advisers agree that the arbitrator shall have exclusive authority to decide all issues relating to the interpretation, applicability, enforceability, and scope of the terms of this Agreement.

(c) **Arbitration Costs.** Payment of all filing, administration and arbitrator fees will be governed by the AAA Rules. If Client prevails in arbitration Client will be entitled to an award of attorneys' fees and expenses to the extent provided under applicable law.

(d) **Effect of Changes on Arbitration.** Wealthfront Advisers reserves the right to modify this Section at any time upon 30 days' written notice to you. Any such modification shall be prospective and shall not affect previously filed claims. By keeping your client account with Wealthfront Advisers or by continuing to use services provided by Wealthfront Advisers, you agree to and accept all terms and conditions of any modifications.

**Class Action Waiver.** Client AND WEALTHFRONT ADVISERS AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, if our Dispute is resolved through arbitration, the arbitrator may not consolidate another person's claims with Client's claims and may not otherwise preside over any form of a representative or class proceeding. If any of the specific provisions within this Section are found to be unenforceable, the remainder of this Section shall not be affected thereby and, to this extent, the provisions of this Section shall be deemed to be severable. If there is a final judicial determination that any particular claim (or a request for particular relief) cannot be arbitrated in accordance with this Section, then only that claim (or only that request for relief) may be brought in court. All other claims (or requests for relief) remain subject to this Section.

## **22. Notices**

All notices and communications under this Agreement must be made through the Site or by email. Wealthfront Advisers' contact information for this purpose is [support@wealthfront.com](mailto:support@wealthfront.com), and Client's contact information for this purpose is contained in Client's user account on the Site and the primary email address(es) in Client's Account Application as Client shall update from time to time. Wealthfront Advisers current address is 261 Hamilton Avenue, Palo Alto, CA 94301.

## **23. Severability and Amendment**

The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. Client acknowledges that Wealthfront Advisers may amend this Agreement from time to time, which amendment(s) will become effective and applicable to Client when published on the Site or otherwise made available to Clients (except as provided in Section 5) and shall govern the relationship between the Client and Wealthfront Advisers during the entire term of this Agreement. Client acknowledges that Client will be responsible for checking the Site and App periodically for such amendment(s) to this Agreement.

## **24. Waiver or Modification**

Wealthfront Advisers' waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall Wealthfront Advisers' waiver or modification granted on one occasion be construed as applying to any other occasion.

## **25. Entire Agreement**

This Agreement, together with the Brokerage Agreement, is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements, and understandings (including without limitation any and all preexisting client account agreements, which are hereby canceled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

## **26. No Third-Party Beneficiaries**

Neither party intends for this Agreement to benefit any third party (other than Wealthfront Brokerage) not expressly named in this

Agreement.

## **27. Death, Disability, or Divorce**

Upon receiving notice of Client's death, disability, incompetency, or divorce, Wealthfront Brokerage may restrict disbursements and other Account transactions, until satisfactory documentation is received. If a Client is an individual, the Client's death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, the Client's executor, guardian or attorney-in-fact may terminate this Agreement by giving written notice to Wealthfront Advisers. In the event that Client holds a joint Account ("Joint Account") with another Joint Account holder (each, a "Joint Account Holder" and collectively, "Joint Account Holders"), Client agrees that if the Joint Account or assets therein ever becomes the subject of a dispute between Client and the other Joint Account Holder, and Wealthfront Advisers becomes aware of the dispute, Wealthfront Advisers may refuse to disburse or allow for the termination of this Agreement without the consent of both Joint Account Holders. Further, Client agrees that in the event that either Joint Account Holder provides instructions to Wealthfront Advisers, even if the instructions are to terminate the Agreement and disburse all funds from the Joint Account to one of the Joint Account Holders, Wealthfront Advisers may do so without seeking or obtaining the permission of, and without providing notice to, the other Joint Account Holder and will have no liability to either Joint Account Holders in connection therewith.

## **28. Power of Attorney**

Client hereby appoints Wealthfront Advisers as Client's agent and attorney-in-fact with full power and authority to enter into, amend or terminate contracts related to the administration and custody of the IRA Account(s) with Custodian and/or such other administrator and custodian as Wealthfront Advisers shall designate from time to time. Client further grants to Wealthfront Advisers as Client's agent and attorney-in-fact with full power and authority to do and perform every act necessary and proper to be done in the exercise of the foregoing powers as fully as Client might or could do if personally present. This power of attorney shall terminate only upon the termination of this Agreement.



261 Hamilton Avenue  
Palo Alto, California 94301  
[www.wealthfront.com](http://www.wealthfront.com)

**Wealthfront Advisers  
Program Brochure**

**August 1, 2025**

**Item 1 Cover Page**

This wrap fee program brochure (“Brochure”) provides information about the qualifications and business practices of Wealthfront Advisers LLC (“Wealthfront Advisers” or “we” or “us”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration does not imply a certain level of skill or training but only indicates that Wealthfront Advisers has registered its business with state and federal regulatory authorities, including the SEC (our SEC number is 801-69766). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us at [844-995-8437](tel:844-995-8437) or [support@wealthfront.com](mailto:support@wealthfront.com). Additional information about Wealthfront Advisers is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and on Wealthfront Advisers’ website, [www.wealthfront.com](http://www.wealthfront.com).

## **Item 2 Material Changes**

Since the updating amendment to Wealthfront Advisers' Form ADV Part 2 brochure on December 17, 2024, we have updated this Brochure to describe our Securities Lending Program, which provides an opportunity for clients to earn additional income by lending securities held in eligible accounts to Wealthfront Brokerage LLC. We have also updated this Brochure to reflect that Wealthfront Advisers decreased its annual advisory fee for Automated Bond Ladders from 0.25% to 0.15% and lowered the minimum amount to open Wealthfront's S&P 500 Direct account from \$20,000 to \$5,000.

### **Item 3 Table of Contents**

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## **Item 4 Services, Fees and Compensation**

### **A. General Description of the Company**

Wealthfront Advisers is an automated investment adviser registered with the SEC. Wealthfront Advisers provides clients' with software-based investment advisory and portfolio management services through the Wealthfront Advisers Program. This Program, launched in December 2011, is made available via brokerage accounts that all clients open at Wealthfront Brokerage LLC ("Wealthfront Brokerage"), a member of Financial Industry Regulatory Authority ("FINRA"). Wealthfront Advisers became the successor investment adviser to Wealthfront Inc. effective August 1, 2018. On the same date, Wealthfront Inc. changed its name to Wealthfront Corporation. Software-based financial planning tools and services (as described further in Item 4.B below) are provided by Wealthfront Software LLC ("Wealthfront Software"). Since February 2019, Wealthfront Brokerage has offered a cash account to Clients, (the "Wealthfront Cash Account"), where Wealthfront Brokerage conveys uninvested cash account funds to depository institutions that accept and maintain such deposits ("partner banks"). Neither Wealthfront Brokerage nor its affiliates are a bank. The cash balance in a Client's Wealthfront Cash Account is swept to one or more partner banks, where it earns a variable rate of interest and is eligible for Federal Deposit Insurance Corporation ("FDIC") insurance while such cash balance awaits investments. FDIC insurance is not provided, and interest is not earned, until the funds arrive at the partner banks. In addition, Wealthfront Brokerage offers a margin lending product called Portfolio Line of Credit ("PLOC"), which is offered to Clients who meet the required minimum balance in a taxable investment account advised by Wealthfront Advisers, in addition to other minimum account thresholds. Wealthfront Brokerage charges interest on the funds borrowed under a PLOC for the time that the loan is outstanding although it is not due until the loan is repaid. Wealthfront Advisers offers a Securities Lending Program , which is available to Clients who meet suitability requirements based on their financial situation, investment objectives, risk tolerance, and other relevant information. Wealthfront Advisers, Wealthfront Brokerage, and Wealthfront Software are wholly owned subsidiaries of Wealthfront Corporation, which is a privately held company headquartered in Palo Alto, California.

Wealthfront Advisers, Wealthfront Brokerage, and Wealthfront Software are wholly owned subsidiaries of Wealthfront Corporation, which is a privately held company headquartered in Palo Alto, California. Additional information about Wealthfront Advisers' products, structure and directors is provided on Part 1 of Wealthfront Advisers' Form ADV which is available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or at [www.wealthfront.com](http://www.wealthfront.com). We encourage visiting our website [www.wealthfront.com](http://www.wealthfront.com) for additional information.

### **B. Summary of Investment Advisory Services**

Wealthfront Advisers offers an automated investment advisory service that makes it possible for anyone who enters into a Wealthfront Advisers Advisory Client Agreement (the "Advisory Client Agreement"), to access state-of-the-art investment advisory and portfolio management services. Clients can choose between portfolios we recommend and the ability to customize our recommendation. As provided in separate Advisory Client Agreements, advisory clients ("Clients") may grant Wealthfront Advisers either (1) full discretionary authority to manage Client assets; or (2) limited discretionary authority regarding time, price, number of securities, and units or dollar amounts in such securities, while Client retains general investment discretion

regarding the specific securities to buy or sell in an Account. Client accounts (“Client Accounts” or “Accounts”) are opened and maintained at Wealthfront Brokerage (and in the case of the 529 college savings plan (“529 Accounts”), the sponsoring state trust fund account) pursuant to the Wealthfront Brokerage Customer Brokerage and Custody Agreement (the “Brokerage Agreement”).

## **Automated Investing Account**

Wealthfront Advisers may manage a Client Account on a fully discretionary basis (“Automated Investing Account”). This means that Wealthfront Advisers is authorized to trade our Clients’ ETFs or other investments in an Automated Investing Account to maintain the Client’s target investment allocation. Wealthfront Advisers utilizes software to conduct this trading to invest Client deposits, fund Client withdrawals, perform rebalancing to maintain target portfolio allocations, and execute tax-loss harvesting (“TLH”) strategies.

Clients may open an Automated Investing Account that is either: (1) an individualized taxable account or an individual retirement account (“IRA”) that allows Clients to choose between portfolios we recommend and the ability to customize our recommendations; or (2) 529 Accounts. Our Automated Investing Account is a diversified, automated portfolio designed to maximize returns for a Client’s individual risk tolerances and other preferences.

Wealthfront Advisers creates an investment plan and manages a Client’s taxable or IRA portfolio by identifying: 1) optimal asset classes in which to invest, 2) efficient ETFs or other investments to represent each of those asset classes, and 3) an ideal mix of asset classes based on the Client’s specific risk tolerance. Clients may also choose to customize certain of our recommendations and make adjustments to our recommended investment allocations, increasing or decreasing the target percentage of a particular ETF or investment. Clients can also choose from a list of additional ETFs or other investments and request specific allocations to each.

For 529 Accounts, Wealthfront Advisers constructs an individual portfolio based on the Client’s individual risk tolerances that uses up to nine of the 529 plan’s separate municipal fund securities (each a “MFS”), of which each MFS contains a single underlying ETF. Using the Client’s risk score, Wealthfront Advisers assigns the Client’s individual portfolio to one out of 20 glide paths, each of which determines how the Client’s individual portfolio’s allocations of designated portfolios will change over time. Each glide path gradually shifts the asset allocations of the MFSSs in the Client’s individual portfolio to progressively decreasing levels of expected risk as the beneficiary’s expected matriculation date approaches. The Client’s starting point along the specific glide path is determined by the beneficiary’s expected time to matriculation. We do not support Client-customized portfolio allocations for 529 Accounts.

For the taxable Automated Investing Account, Wealthfront Advisers offers TLH strategies. TLH is a technique designed to help lower your taxes while maintaining the expected risk and return profile of your portfolio. TLH harvests previously unrecognized investment losses to offset taxes due on your other gains and income by selling a security at a loss to accelerate the realization of capital loss and investing the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be applied to lower your tax liability and the tax savings can be reinvested to grow the value of your portfolio. Wealthfront Advisers’ basic TLH harvests tax losses on a Client’s ETFs by selling an ETF at a loss and replacing it with an alternative ETF that

tracks a different, but highly correlated index to maintain the risk and return characteristics of the Client's portfolio.

Wealthfront Advisers also offers more advanced versions of TLH —available to Clients with larger account sizes—that involve allocating a portion of the Client's portfolio to a range of individual US stocks, which increases the Client's opportunity to harvest tax losses. Clients with taxable accounts that have between \$100,000 and \$500,000 in assets can choose our US Direct Indexing as an enhanced form of TLH that looks for movements in individual stocks to harvest more tax losses. Instead of using a single ETF or index fund to invest in US stocks, US Direct Indexing purchases the largest individual stocks in the US equity market (the number of such individual stocks purchased depends on account size) on a market-weighted basis to increase the opportunity for TLH presented by the movement of individual stocks. The US Direct Indexing product also invests in ETFs (referred to in our white paper as “completion ETFs”) to provide exposure to US equities with smaller capitalizations. Clients with a taxable Automated Investing Account that has at least \$500,000 qualify for our no-fee Smart Beta service, which serves as an enhancement to our US Direct Indexing product. Clients who signed up for our US Direct Indexing product may specify US stocks they choose to restrict, but may not customize the portfolio allocations in those accounts. Customization is also not supported in our Automated Bond Portfolio and Automated Bond Ladder offerings.

Further, our Automated Investing Account, Automated Bond Portfolio, Automated Bond Ladder, and S&P 500 Direct (described below) are subject to Rule 3a-4 of the Investment Company Act of 1940. This means: (1) Wealthfront Advisers manages each Client's account based on the Client's individual financial situation and investment objectives, which information is obtained at account opening; (2) Wealthfront Advisers contacts Clients via email on a quarterly basis to request whether there have been any changes to the Client's financial situation or objectives; (3) as noted in Item 7.3, Clients may, at account opening or anytime thereafter, impose reasonable restrictions on how their Account is managed by customizing our recommended portfolios or by updating their settings to restrict investments in certain US stocks, (4) Clients may contact Product Support team members (who are Wealthfront Advisers personnel who are knowledgeable about the Accounts and their management) to ask questions relating to their Account; (5) Clients receive monthly statements of all activity in their Account; and (6) Clients retain rights of ownership in the underlying securities in their accounts.

## **Automated Bond Portfolio**

Clients may open an “Automated Bond Portfolio,” which is personalized to a Client's individual tax situation, based on their state of residence and stated, taxable income. The Automated Bond Portfolio is managed on a fully discretionary basis and includes a diversified mix of bond ETFs. Wealthfront Advisers utilizes software to invest Client deposits and dividends, fund Client withdrawals, perform rebalancing to maintain target portfolio allocations, and execute TLH strategies where appropriate. For Clients that use Wealthfront Advisers' Automated Bond Portfolio, Wealthfront Advisers buys or sells securities consistent with a Client's portfolio allocation, which is designed to seek yield and is personalized to the Client's individual tax situation.

## **Automated Bond Ladder**

Clients may open an “Automated Bond Ladder,” which is a portfolio of US Treasury securities, including Treasury Bills, Treasury Notes, or Treasury Bonds (collectively, “Treasuries”) designed to provide a tax-advantaged means of preserving capital and generating yield with an extremely low risk of principal loss for clients who hold their Treasuries to maturity. The Automated Bond Ladder also seeks to reduce exposure to interest rate fluctuations. The Automated Bond Ladder allows clients to configure a “ladder” of Treasuries with a maximum length that can range from 6 months to 6 years. Wealthfront Advisers manages Automated Bond Ladders on a fully discretionary basis, utilizing software that seeks to invest in Treasuries that mature on a monthly basis through the length of the ladder (assuming Treasuries with the required monthly maturities are available in the market for the entirety of the client’s selected ladder length). As Treasuries mature or interest is paid, Wealthfront Advisers will automatically reinvest the proceeds to purchase new Treasuries with later maturity dates in the Client’s ladder in a way that seeks to maintain as close as possible to equally weighted investment in Treasuries with monthly maturities through the Client’s desired ladder length.

## **Stock Investing Account**

Clients may open a “Stock Investing Account,” which is a taxable account that allows Clients to invest in certain exchange-traded securities, including stocks. In a Stock Investing Account, Clients grant Wealthfront Advisers limited discretion, with Wealthfront Advisers exercising discretion over the specifics of the transaction, including the time, price, number of shares, and units or dollar amounts in the transaction. The Client retains general investment discretion over other matters, including the ultimate decision as to which securities to include in the account. Upon opening a Stock Investing Account, Clients who do not have an active Wealthfront Cash Account must open a separate Wealthfront Cash Account.

## **S&P 500 Direct**

Clients may also open an Wealthfront's S&P 500 Direct account, which enables Clients to invest directly in the individual stocks that comprise the S&P® 500 index, which is a stock market index that tracks the performance of 500 of the largest publicly traded companies in the US. S&P 500 Direct combines the benefits of index investing with Wealthfront Advisers’ automated TLH, helping Clients save on taxes while closely tracking the performance of the S&P® 500 index.

## **Securities Lending Program**

Wealthfront Advisers offers Clients the option to participate in its Securities Lending Program, which provides an opportunity for Clients to earn additional income by lending securities held in eligible Accounts (taxable Automated Investment Accounts, Automated Bond Portfolios, Stock Investing Accounts, and S&P 500 Direct accounts) to Wealthfront Brokerage. Clients may opt in or out of the Securities Lending Program at any time. Clients who opt in to the Securities Lending Program (“Participants”) grant Wealthfront Advisers the discretionary authority to lend their fully paid securities to Wealthfront Brokerage. Wealthfront Brokerage will lend the securities to unaffiliated third parties, such as broker-dealers, banks, or other financial institutions. These securities loans are collateralized with cash, in an amount between 102% and 105% of the market value of the loaned securities and held in a segregated account at JPMorgan

Chase Bank, N.A., for the benefit of Participants, with Wilmington Trust acting as trustee. Participants receive 50% of what we earn when their shares are lent, which amount will vary based on market demand, interest rates, and the specific securities lent. Compensation will be paid on a monthly basis. Participants retain contractual rights to all shares lent to Wealthfront Brokerage and the ability to opt out of the Securities Lending Program or withdraw funds at any time. Following such instructions, Wealthfront Advisers will recall Participants' shares from Wealthfront Brokerage.

## **Automated Savings**

In addition to investment advisory and portfolio management services, Wealthfront Advisers offers a service called Automated Savings to Clients, free of charge. Clients may opt into this service and can stop or restart its use at any time at no cost to them. With Automated Savings, Wealthfront Advisers monitors a Client's checking account or Wealthfront Cash Account for excess cash over the maximum balance set by the Client. If the monitored account has exceeded the Client's prescribed maximum balance by at least \$100, Wealthfront Advisers will schedule transfers of the excess cash from the monitored account to one or more of the Client's Wealthfront accounts of choice. The Client will receive an email notification when these transfers have been scheduled and will have 24 hours to cancel the transfers before they occur.

## **Financial Planning Through Software**

In addition to investment advisory and portfolio management services, Wealthfront Advisers, through its affiliate Wealthfront Software, provides certain software-based financial planning tools and services (the "Financial Planning Service") to its Clients. The Financial Planning Service is a product offered, free of charge, by Wealthfront Software and is made available to Wealthfront Advisers' Clients free of charge through a contractual arrangement between Wealthfront Advisers and Wealthfront Software.

## **Advisory Fees for the Automated Investing Account, Automated Bond Portfolio, Automated Bond Ladder, and S&P 500 Direct**

For Clients with either an Automated Investing Account or Automated Bond Portfolio Wealthfront Advisers is compensated for its advisory services by charging an annual fee of 0.25% on the net market value of a Client's Account. For Clients with an Automated Bond Ladder, Wealthfront Advisers is compensated for its advisory services by charging an annual fee of 0.15% on the net market value of a Client's Account. For Clients with a S&P 500 Direct account, Wealthfront Advisers is compensated for its advisory services by charging an annual fee of 0.09% on the net market value of a Client's Account. In some cases, Clients can have a portion of their assets managed for free. There is no fee or charge for participation in the Securities Lending Program.

Wealthfront Advisers' fees are charged on a monthly basis and they are not charged in advance. Fees are charged utilizing the following calculation: Wealthfront Advisers calculates a daily advisory fee, which is equal to the fee rate multiplied by the net market value of the Client's Account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The

advisory fee for a calendar month is equal to the total of the daily fees calculated during that month (less any deductions or fee waivers) and is deducted from an Automated Investing Account, Automated Bond Portfolio, or an Automated Bond Ladder no later than the tenth business day of the following month.

For 529 Accounts, Wealthfront Advisers waives its investment advisory fees on the first \$25,000 it manages for Nevada residents who open a 529 Account, and this fee waiver applies to the aggregate of all of the Nevada residents' Wealthfront Advisers account assets. This advisory fee is separate from the fees and expenses of the MFSs in which a Client invests in the 529 Account, which include the fees and expenses of the ETFs underlying such securities, the fees of the 529 Account recordkeeper and the fees of the state trust that issues the MFSs ("Plan Administration Fees"). Plan Administration Fees may change without prior notice.

### **Advisory Fees for the Stock Investing Account**

In a Stock Investing Account, Clients grant Wealthfront Advisers limited discretion, with Wealthfront Advisers exercising discretion over the specifics of the transaction, including the time, price, number of shares, and units or dollar amounts in the transaction. The Client retains general investment discretion over other matters, including the ultimate decision as to which securities to include in the portfolio. A Stock Investing Account is not a wrap account. As such, a wrap account fee does not apply to them. Instead, Wealthfront Brokerage pays Wealthfront Advisers a percentage of the net interest margin it earns on deposits in Clients' required Wealthfront Cash Accounts. As a result, Clients pay no out of pocket advisory fees, nor does this reduce the rate of interest clients receive from cash maintained in their Wealthfront Cash Accounts. Proceeds from the sale of securities held in a Stock Investing Account are automatically swept to the Client's Wealthfront Cash Account. See Item 5 of Wealthfront Advisers' Form ADV Part 2A brochure for more details on the advisory fee paid in relation to the Stock Investing Account.

### **Fee Changes**

Wealthfront Advisers reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined solely by Wealthfront Advisers. In addition, Wealthfront Advisers may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients. For Clients who had opened accounts prior to April 1, 2018, Wealthfront Advisers waived its investment advisory fees for the first \$10,000 of assets in any Wealthfront Advisers investment advisory account(s). However, this benefit is no longer available for new Clients who opened their initial account on or after April 1, 2018.

### **Additional Fees for Optional Brokerage Services**

In addition to the advisory fees, Clients may also pay other fees or expenses to third parties, as well as to an affiliate of Wealthfront Advisers. The fees discussed in this section are detailed in the Brokerage Agreement and summarized in this section for the Client's convenience. This charge is not collected until the Client has initiated the wire transfer. There are no charges for incoming wire transfers. Currently, outgoing wire transfers are not supported for Investment Accounts.

## **Product Fees**

The issuers of certain investments we purchase for Clients (such as ETFs, investment trusts, or other investments) may charge Clients separate product fees. Wealthfront Advisers does not charge these product fees to Clients, nor does it benefit directly or indirectly from any such fees. Product fees typically include embedded fund expenses that may reduce an investment fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Fund expenses may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. Fund expenses may change from time to time at the sole discretion of the fund issuer. Wealthfront Advisers discloses current information for the investments we purchase for Clients, including product fees, on the Site. Clients who use the PLOC offered by Wealthfront Brokerage to obtain a loan secured by the assets of their taxable Accounts will be charged interest on the outstanding balance.

## **Other Compensation - Securities Lending Program**

In connection with the Securities Lending Program described in Item 4 above, Wealthfront Brokerage will receive compensation from third-party borrowers in connection with Securities Lending Program activity, a portion of which will be paid to Sharegain Securities Inc. ("Sharegain"), a registered broker-dealer, which acts as lending agent to Wealthfront Brokerage as described in Item 10 below. Participants will receive 50% of the net compensation generated from lending activities. The remaining 50% is shared between Wealthfront Advisers and Wealthfront Brokerage and, with each receiving 25% of the net compensation. Compensation will be paid on a monthly basis. Wealthfront Advisers, therefore, has a financial incentive to approve Participants for the Securities Lending Program. In addition to sharing the financial incentive to earn compensation along with Participants, Wealthfront Advisers mitigates this potential conflict by only recommending participation in the Securities Lending Program to Clients for whom the program is deemed suitable, as discussed in Item 8.

## **Item 5 Account Requirements and Types of Clients**

The minimum amount required to open and maintain an Automated Investing Account, Automated Bond Portfolio, or an Automated Bond Ladder (i.e., "wrap accounts") with Wealthfront Advisers is \$500. Clients with a Stock Investing Account must maintain an active Wealthfront Cash Account. The minimum amount required to open an S&P 500 Direct account is \$5,000. Clients with Stock Investing Accounts must maintain an active Wealthfront Cash Account.

As a result of the automation associated with offering its services online, Wealthfront Advisers makes it possible for retail investors, as well as retirement accounts and trusts, to access its service with much lower account minimums than normally available in the industry. Clients have access to their Accounts through the Site. Additional requirements for opening an Account with Wealthfront Advisers are described in Item 4 of Wealthfront Advisers' Form ADV Part 2A brochure.

For Accounts other than IRA accounts or 529 Accounts, Clients, acting as trustees, may open Accounts on behalf of trusts. As with other accounts, the trustee must be authorized to manage

the Account consistent with the trust's investment objectives. Such clients should provide account profile information, including answering the risk questionnaire, in a manner that is consistent with the trust's investment objectives, including risk tolerance and tax attributes. If the trustee has a separate Account (for example, an individual Account, unrelated to the trust) or intends to open such an Account, the trustee should consider maintaining a separate account log-in and profile for the trust, using a different email account. This will allow Wealthfront Advisers to independently manage the trust-held Account pursuant to the trust's unique profile and investment objectives.

At any time, a Client may terminate an Account, or make partial or full withdrawals from an Account (provided an Automated Investing Account, Automated Bond Portfolio, Automated Bond Ladder, or S&P 500 Direct balance does not fall below the account of \$500), update their investment profile, or customize our recommended portfolio allocation (including adding or removing specific ETFs or other investments from their designated allocation). These actions may initiate an adjustment in the Account's holdings. In such cases, unless otherwise directed by the Client, for example, in an Automated Investing Account, Wealthfront Advisers will sell the securities in the Account (or portion of the Account, in the case of a partial withdrawal or update) at market prices in a reasonable and timely manner. However, Wealthfront Advisers does not represent or guarantee that Wealthfront Advisers will respond to any such Client actions or requests immediately or in accordance with a set time schedule. See Item 16 of Wealthfront Advisers' Form ADV Part 2A brochure for a description of Wealthfront Advisers' discretionary investment authority, including the timing of Wealthfront Advisers' placement of Client trade orders.

Wealthfront Advisers is probably not the most appropriate service for someone who wants frequent feedback from an advisor. Investors evaluating Wealthfront Advisers' software-based investment advisory service should be aware that Wealthfront Advisers' relationship with Clients is likely to be different from the "traditional" investment advisory relationship in several aspects:

1. Wealthfront Advisers is a software-based investment adviser which means each Client must acknowledge their ability and willingness to conduct their relationship with Wealthfront Advisers on an electronic basis. Under the terms of the Advisory Client Agreement and the Brokerage Agreement, each Client agrees to receive all Account information and Account documents (including this Brochure and Wealthfront Advisers' Form ADV Part 2A brochure), and any updates or changes to same, through their her access to the Site and Wealthfront Advisers' electronic communications. Unless noted otherwise on the Site or within this Brochure, Wealthfront Advisers' investment advisory service, Wealthfront Brokerage's brokerage services, the signature for the Advisory Client Agreement and the Brokerage Agreement, and all documentation related to the advisory services are managed electronically. Wealthfront Advisers does make individual representatives available to discuss servicing matters with Clients.
2. To provide its investment advisory services and tailor its investment recommendations to each Client's specific needs, Wealthfront Advisers collects information from each Client, including specific information about their investing profile such as financial situation, investment experience, and investment objectives. Wealthfront Advisers maintains this information in strict confidence subject to its Privacy Policy, which is provided on the Site. Although Wealthfront Advisers contacts its Clients periodically as described further

in Item 13 below, a Client must promptly notify Wealthfront Advisers of any change in their financial situation or investment objectives that might require a review or revision of their portfolio.

3. Clients with an Automated Investing Account can choose a portfolio Wealthfront Advisers recommends, which includes allocations to preselected ETFs. Clients can also customize our recommended portfolios for their IRA or taxable accounts by increasing or decreasing portfolio allocations to the ETFs or investments in our recommended portfolio or by choosing from a list of available ETFs or other investments and requesting specific allocations to each. At account opening or anytime thereafter, Wealthfront Advisers allows Clients to update their settings to restrict Wealthfront Advisers from investing in the stock of public companies designated by the Client.
4. In a Stock Investing Account, Clients may request that Wealthfront Advisers undertake certain transactions, including the purchase and sale of securities.

## **Item 6 Portfolio Manager Selection and Evaluation**

### **A. Modern Portfolio Theory (“MPT”)**

For the Automated Investing Account, Wealthfront Advisers offers three types of recommended, diversified, automated portfolios to clients with an IRA or taxable account: Classic portfolios, Socially Responsible portfolios, and Direct Indexing portfolios. Classic portfolios include allocations to preselected ETFs designed to provide a tradeoff between risk and long-term, after-tax, net-of-fee return through a diversified set of global asset classes. Socially Responsible portfolios are designed to offer similar risk-adjusted returns as our Classic portfolios with a focus on socially responsible investing (“SRI”). Although SRI does not have a single, agreed-upon definition, it may be described as an investment strategy that evaluates companies based on their benefit and/or detriment to society, rather than profits or intrinsic value alone. This concept comes from an ethical framework called “social responsibility,” in which individuals and corporations have an obligation to cooperate with others to benefit greater society. Some investors may take up SRI strategies due to a long-term belief in its investment value, and others may decide to use this strategy purely due to ethics. Direct Indexing portfolios use our US Direct Indexing product to replace the ETF that represents the US public equities asset class with individual securities that comprise up to 1,000 US stocks with the largest market capitalizations as a way of generating additional tax savings. Direct Indexing portfolios are available in taxable accounts that have between \$100,000 and \$500,000. As noted, Clients with Direct Indexing portfolios may specify US stocks they choose to restrict but may not customize the portfolio allocations in those accounts.

The composition of Classic, Socially Responsible, and Direct Indexing portfolios is based on Modern Portfolio Theory (“MPT”). MPT attempts to maximize a portfolio’s expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. Historically, rigorous MPT-based financial advice has been available primarily through certain high-end financial advisors. Wealthfront Advisers’ goal is to enable anyone with at least \$500 to access the benefits of MPT.

Prior to the launch of the Wealthfront Advisers software-based investment advisory service, it was not practical to offer rigorous and complete MPT to everyone because delivering a complete solution was too complex. Specifically, the number of calculations required to identify an optimized asset allocation, the ideal securities to represent each asset class, and an individual's true risk tolerance are beyond the scope of free, web-based tools. The job becomes even more difficult when considering the importance of periodically rebalancing a portfolio to maintain a desired risk level.

To employ MPT properly, one must start with an accurate determination of an individual's objective and subjective tolerance for risk. Achieving accuracy requires sophisticated software applied to more detailed questions than are typically asked by advisers. Based on this risk analysis, Wealthfront Advisers seeks to create an individualized investment plan using the optimal asset classes in which to invest, the most efficient and inexpensive ETFs to represent each of those asset classes, and the ideal mix of asset classes based on the Client's specific risk tolerance. Wealthfront Advisers uses Mean Variance Optimization to rigorously evaluate every possible combination of the following twelve asset classes: US equities, foreign developed markets equities, emerging markets equities, dividend growth equities, real estate, natural resources, treasury inflation protected securities (TIPS), municipal bonds, corporate bonds, emerging markets bonds, and US government bonds. Mean Variance Optimization uses the expected return and volatility for each asset class and the covariance among asset classes to find the combination that delivers the highest possible return for any given standard deviation of a portfolio's returns. Wealthfront Advisers however, must limit the number of assets classes for very small portfolios.

Wealthfront Advisers periodically reviews the entire population of more than 1,000 ETFs to identify the most appropriate ETFs to represent each asset class in our portfolios. We look for ETFs that minimize cost and tracking error and offer market liquidity. Many investors do not realize that ETFs do not exactly track the indexes they were created to mimic. Choosing an ETF with a low expense ratio that does not track the asset class recommended by our service runs the risk of sub-optimizing a Client's portfolio's performance. We choose ETFs that are expected to have sufficient liquidity to allow Client withdrawals at any time. Finally, we select ETFs that have conservative and shareholder-friendly securities lending policies.

In addition to choosing what we believe to be the best ETFs at the time, we explain why we chose each one. We provide a detailed analysis of how the selected ETF stacked up against the second and third best choice for each asset class on the dimensions described in the paragraph above.

Wealthfront Advisers continuously monitors our Clients' portfolios and periodically rebalances them back to the Clients' target mix in an effort to optimize returns for the intended level of risk. Wealthfront Advisers considers tax implications and the volatility associated with each of the chosen asset classes when deciding when and how to rebalance, however no assurance can be made by Wealthfront Advisers that Clients will not incur capital gains, and in certain instances significant capital gains, when Client portfolios are rebalanced periodically. Wealthfront Advisers assumes no responsibility to its Clients for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of an Automated Investing Account and Automated Bond Portfolio.

## **B. Long Term, Buy and Hold Investment Philosophy**

For Automated Investing Account, Wealthfront Advisers adheres to a long-term, “buy-and-hold” investment philosophy. While Wealthfront Advisers reserves the right to act otherwise if it feels that it is in the best interests of its Clients, Wealthfront Advisers does not try to time the market and in general, Wealthfront Advisers intentionally does not react to market movements in managing Client Accounts other than through rebalancing and TLH in a taxable Automated Investing Account. Wealthfront Advisers believes that numerous academic and industry studies show that “short-term fluctuations in markets, which loom so large to investors, have little to do with the long-term accumulation of wealth.” J. Siegel, Stocks for the Long Run (1977).

## **C. Automated Bond Portfolio**

The Automated Bond Portfolio includes allocations to preselected bond ETFs that, based on a Client’s tax situation (income, state of residence, and tax filing status), are designed to maximize after-tax yields for Clients. As with Wealthfront’s other portfolios, Wealthfont Advisers selects optimal ETFs to achieve the portfolio’s strategy, and we explain in white papers on our website the analysis underlying our selections.

## **D. Automated Bond Ladder**

The Automated Bond Ladder is a portfolio that uses a laddering strategy designed to preserve capital and generate yield. Wealthfront Advisers seeks to achieve this by investing Client assets in “rungs” of Treasuries in equal weights and that mature on a monthly basis. This strategy is designed to produce relatively stable yield at a lower risk for Clients while also reducing exposure to interest rate fluctuations. Clients may utilize automatic reinvesting to maintain the Client’s selected ladder length on a rolling basis. Clients may also disable automatic reinvestment of interest or principal paid at maturity.. Additionally, Clients may set a target withdrawal date, and Wealthfront Advisers will only invest in Treasuries that mature prior to that date. When all Treasuries have matured, Wealthfront Advisers will transfer the proceeds to the Client’s Wealthfront Cash Account and close their Automated Bond Ladder Account. Perfectly equal rungs and/or maturities in every month of a particular ladder may not always be possible, depending on account size, market conditions, ladder length, and other factors. We provide further detail about our strategy in white papers on our website.

## **E. Tax-Loss Harvesting (“TLH”)**

TLH is a technique designed to help appropriately reduce a Client’s taxes while maintaining the expected risk and return profile of the Client’s portfolio. It harvests previously unrecognized investment losses to offset taxes due on your other gains and income by selling a security at loss to accelerate the realization of capital loss and investing the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be applied to reduce the Client’s tax liability and the tax savings can be reinvested to grow the value of your portfolio. Wealthfront Advisers’ basic TLH strategy, which is only applied to ETFs, is available to Clients with a taxable Automated Investing Account. TLH is also available to Clients who customize our recommended portfolios as long as their allocations include eligible ETFs. Eligible ETFs are those for which we have identified an alternative ETF that tracks a different, but closely

correlated index to maintain the risk and return characteristics of the Client's portfolio. Advanced versions of TLH—such as Direct Indexing portfolios and Smart Beta—are available for Clients with larger account sizes and are generally applied to individual stocks that comprise the domestic equity allocation in their taxable account portfolios.

## F. S&P 500 Direct

S&P 500 Direct allows Clients to hold many of the individual stocks that make up the S&P 500® index and uses Wealthfront's automated TLH to turn losses into future tax savings. This strategy enhances after-tax returns while closely tracking the performance of the S&P 500® index. S&P 500 Direct is designed for Clients seeking US large-cap equity exposure and Wealthfront Advisers uses mathematical optimization to balance two objectives: minimizing tracking error relative to the S&P 500® index and maximizing after-tax benefits of harvested losses ("tax alpha"). Tax alpha is achieved by selling stocks that decline in value to harvest losses, while tracking error is reduced by purchasing correlated replacement stocks to maintain alignment with the index. Portfolio diversification and wash-sale avoidance are managed through constraints, including but not limited to limits on stock weights.

The minimum investment to open an S&P 500 Direct account is \$5,000. An S&P 500 Direct account will attempt to hold all stocks of the 500 companies in the index, but due to TLH, which sells stocks that have decreased in value and purchases similar stocks which the Account may already hold to replace them, the actual number of stocks in the portfolio is likely to be less. Generally, the higher the total value of the portfolio, the more stocks the portfolio will be able to hold in the Account and the closer the Client's portfolio can track the S&P 500® index. This is because, even though we are able to hold stocks at a fraction of a share, Wealthfront Advisers may choose not to hold certain stocks if the fraction is extremely small. For example, portfolios of \$5,000 may hold roughly 200-300 stocks. For portfolios of more than \$25,000, the portfolio is likely to hold more than 400 stocks. The number of individual stocks held in the portfolio is generally lower initially, but increases over time with Tax-Loss Harvesting activity and add-on deposits.. Our white paper provides additional detail regarding the methodology and strategy used in S&P 500 Direct.

## G. Customized Portfolios

Wealthfront Advisers offers a wider selection of ETFs and other investments to Clients who choose to customize our Classic or Socially Responsible portfolios in their IRA or taxable account. These ETFs and other investments may represent additional asset classes beyond the ones used in our recommended portfolios, or narrower subsets of these asset classes, allowing a more precise expression of Client investment preferences. We select these additional investments based on their overall level of risk, liquidity, tracking error to underlying indices (where applicable), cost of ownership, and popularity.

## H. Securities Lending Program

Wealthfront Advisers offers Clients the option to participate in its Securities Lending Program, which provides Clients the opportunity to earn income by lending their fully paid securities held in eligible Accounts (taxable Automated Investment Accounts, Automated Bond Portfolios,

Stock Investing Accounts, and S&P 500 Direct accounts) to Wealthfront Brokerage, which will lend these securities to third-party borrowers. Participants receive 50% of what we earn when their shares are lent, which amount will vary based on market demand, interest rates, and the specific securities lent. Compensation will be paid on a monthly basis.

Participation in this program is optional and subject to a suitability determination based on the Client's investment objectives, risk tolerance, financial profile, and investment experience and knowledge. While loans are fully collateralized with cash and administered with daily mark-to-market practices, participation entails certain risks detailed below, including counterparty default, loss of voting rights, and potential adverse tax treatment of payments received in lieu of dividends. Participants retain contractual rights to all shares lent to Wealthfront Brokerage. Participants may opt out or withdraw funds from eligible Accounts at any time. Following such instructions, Wealthfront Advisers will recall Participants' shares from Wealthfront Brokerage.

## I. Risk Considerations

Wealthfront Advisers cannot guarantee any level of performance or that any Client will avoid a loss of Account assets. Also, to the extent that Client requests investments other than as recommended by Wealthfront Advisers, Client understands and agrees that such investments may be inconsistent with the Client's investment profile. If Client has not provided sufficient, timely, or accurate information to Wealthfront Advisers, or if Client chooses not to follow Wealthfront Advisers' recommendations and advice, Client's investments may not achieve results consistent with Client's investment profile. **Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.**

When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective Client before retaining Wealthfront Advisers' services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is in fact an occurrence.

**Market Risk** – The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Wealthfront Advisers' control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a Client has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client Account to underperform relative to the overall market.

**Advisory Risk** – There is no guarantee that Wealthfront Advisers' judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. It is possible that Clients or Wealthfront Advisers itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Wealthfront Advisers' software-based investment advisory service. Wealthfront Advisers and its

representatives are not responsible to any Client for losses unless caused by Wealthfront Advisers' breach of its fiduciary duty.

**Software Risk** – Wealthfront Advisers delivers its investment advisory services entirely through software. Consequently, Wealthfront Advisers rigorously designs, develops and tests its software extensively before putting such software into production with actual Client Accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on the Site, mobile app, blogs or other Wealthfront Advisers disclosure documents, especially in certain combinations of unusual circumstances. For example, there may be occasions where a number of Client Accounts may not experience TLH (even if TLH had been activated for such accounts) or rebalancing back to the Client's target asset allocation for extended periods of time, due to certain errors in the deployment of the software. Wealthfront Advisers continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed.

**Volatility and Correlation Risk** – Wealthfront Advisers' Security selection process is based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client's account and may become more acute in times of market upheaval or high volatility. **Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.**

**Liquidity and Valuation Risk** – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because Wealthfront Advisers' executing broker-dealer may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While Wealthfront Advisers values the securities held in Client Accounts based on reasonably available exchange traded security data, Wealthfront Advisers may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a Client to Wealthfront Advisers.

**Credit Risk** – Wealthfront Advisers cannot control, and Clients are exposed to the risk that, financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker-dealer, notwithstanding asset segregation and insurance requirements that are beneficial to broker-dealer clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of Client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client. Wealthfront Advisers seeks to limit credit risk by generally adhering to the purchase of ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products, which Wealthfront Advisers generally does not invest in, may involve higher issuer

credit risk because they are not structured as a registered fund.

**Legislative and Tax Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser / financial advisor or securities trading regulation; change in the US government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). Wealthfront Advisers does not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.

**Tax-Loss Harvesting Risk** - Clients who activate TLH service are alerted to the following risks:

- **Clients should confer with their personal tax advisor regarding the tax consequences of investing with Wealthfront Advisers and engaging in the TLH, based on their particular circumstances.** Clients and their personal tax advisors are responsible for how the transactions in the Client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. Wealthfront Advisers assumes no responsibility to you for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the TLH.
- Wealthfront Advisers' TLH is not intended as tax advice, and Wealthfront Advisers does not represent in any manner that the tax consequences described will be obtained or that Wealthfront Advisers' investment strategy will result in any particular tax consequence. The tax consequences of this strategy and other Wealthfront Advisers strategies are complex and may be subject to challenge by the IRS. This strategy was not developed to be used by, and it cannot be used by, any investor to avoid penalties or interest.
- When Wealthfront Advisers replaces investments with "similar" investments as part of the TLH, it is a reference to investments that are expected, but are not guaranteed, to perform similarly and that might reduce a Client's tax bill while maintaining a similar expected risk and return on the Client's portfolio. **Expected returns and risk characteristics are no guarantee of actual performance.**
- A Client must notify Wealthfront Advisers of specific stocks in which the Client is prohibited from investing. If a Client instructs Wealthfront Advisers not to purchase certain stocks, Wealthfront Advisers will select an alternate stock to purchase on the Client's behalf or if Wealthfront Advisers deems no other stock as appropriate, not invest in an alternate stock. The Client shall notify Wealthfront Advisers immediately if you consider any investments recommended or made for the Account to violate such restrictions.
- The performance of the new securities purchased through the TLH may be better or worse than the performance of the securities that are sold for tax-loss harvesting purposes.
- The effectiveness of the TLH to reduce the tax liability of the Client will depend on the

Client's entire tax and investment profile, including purchases and dispositions in a Client's (or Client's spouse's) accounts outside of Wealthfront Advisers and type of investments (e.g., taxable or nontaxable) or holding period (e.g., short-term or long-term). Clients who customize our recommended portfolios may also influence the effectiveness of the TLH. For example, Clients who allocate significant portions of their portfolio to ETFs that are not currently supported for tax-loss harvesting may decrease the effectiveness of this service by reducing the number and/or amount of ETFs available for the strategy. Clients with S&P 500 Direct will experience, in varying degrees, differences in performance from the performance of the S&P 500® index as a result of TLH in their accounts. The utilization of losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws, e.g., if there are insufficient realized gains in the tax period, the use of harvested losses is limited to a \$3,000 deduction against ordinary income and distributions. Losses harvested through the strategy that are not utilized in the tax period when recognized (e.g., because of insufficient capital gains and/or significant capital loss carryforwards), generally may be carried forward to offset future capital gains, if any.

- Be aware that if the Client and/or the Client's spouse have other taxable or non-taxable investment accounts, and the Client holds in those accounts any of the securities (including options contracts) held in the Client's account at Wealthfront Advisers, the Client cannot trade any of those securities 30 days before or after Wealthfront Advisers trades those same securities as part of the TLH to avoid possible wash sales and, as a result, a nullification of any tax benefits of the strategy. For more information on the wash sale rule, please read [IRS Publication 550](#).
- Wealthfront Advisers' TLH is designed to avoid creating "wash sales" in Clients' accounts with Wealthfront Advisers. Clients, however, are responsible for monitoring their accounts outside of Wealthfront Advisers to ensure that transactions in the same security or a substantially identical security do not create a wash sale. A wash sale occurs when a taxpayer sells a security at a loss and then purchases the same security or a substantially similar security over a period of 61 days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. If a wash sale occurs, the IRS may not allow or defer the loss for current tax reporting purposes. Wash sales can occur even if the securities are sold and then bought in different accounts. Therefore Wealthfront Advisers may lack visibility to certain wash sales, should they occur as a result of transactions in external or unlinked accounts. Under those circumstances, Wealthfront Advisers may not be able to provide notice of such wash sale in advance of the Client's receipt of the IRS Form 1099. Further, if a Client opens multiple Accounts using different login information (for example, the Client uses different email addresses across multiple Accounts), Wealthfront Advisers may not be able to prevent wash sales between those Accounts. Conversely, if a Client uses the same login information for an individual Account and a trust-held Account, as described above, Wealthfront Adviser will manage both Accounts pursuant to the single investment profile for that account. This includes investment objectives, risk tolerance, and tax attributes. Clients should be aware that under such circumstances Wealthfront Advisers will seek to avoid wash sales in one or more Accounts maintained under the client's investment profile.

- Except as set forth below, Wealthfront Advisers will monitor only a Client's accounts at Wealthfront Advisers to determine if there are unrealized losses for purposes of determining whether to harvest such losses. Transactions outside of accounts at Wealthfront Advisers may affect whether a loss is successfully harvested and, if so, whether that loss is usable by the Client in the most efficient manner.
- Under certain circumstances, there is a chance that Wealthfront Advisers trading attributed to TLH may create capital gains and/or wash sales. In addition, TLH strategies may produce losses, which may not be offset by sufficient gains in the account.
- From time to time, in order to mitigate wash sales risk, a Client's IRA Account might invest in a so-called "secondary" ETF (as identified in Wealthfront Advisers' TLH white paper) rather than a so-called "primary" ETF identified in such white paper or in the Client's plan.
- Not all the losses may be used to offset gains in the year they were recognized due to wash sales. Thus, wash sales can diminish the effectiveness of TLH by deferring to a future year a tax loss that could have been used to offset income or capital gains in the current year.

**Potentially High Levels of Trading Risk** - Certain situations, such as the simultaneous receipt of a high volume of Client deposits or withdrawal requests, can lead Wealthfront Advisers to engage in high levels of trading. High levels of trading could result in (a) bid-ask spread expense; (b) trade executions that may occur at prices beyond the bid-ask spread (if quantity demanded exceeds quantity available at the bid or ask); (c) trading that may adversely move prices, such that subsequent transactions occur at worse prices; (d) trading that may disqualify some dividends from qualified dividend treatment; unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether; and (f) unforeseen trading errors.

**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with US investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the US, such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than US accounting practices and foreign regulation may be inadequate or irregular.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and

demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depository Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Wealthfront Advisers plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include ETF management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. Wealthfront Advisers discloses each ETF's current information, including expenses, on the Site. ETF tracking error and expenses may vary.

**S&P 500 Direct Risk** - S&P 500 Direct aims to closely track the S&P 500® index, but several factors will cause deviations in performance, which may be called “tracking difference.” For instance, TLH involves selling stocks at a loss and replacing them with similar investments to maintain portfolio correlation with the index. However, these trades may lead to slight variations in stock weights, potentially impacting portfolio performance. Additionally, portfolios are unlikely to hold all 500 stocks in the index due to minimum investment constraints, resulting in a less precise replication of the index’s composition.

Stock exclusions also contribute to tracking difference. When Clients instruct Wealthfront Advisers to restrict specific stocks from trading, Wealthfront Advisers will substitute those stocks with other stocks, which may not fully replicate the restricted stocks' impact on the index. Over time, such exclusions may lead to greater performance differences between the Client's portfolio and the S&P 500®. Although Wealthfront Advisers uses mathematical optimization to minimize tracking difference, short-term market fluctuations and index changes can amplify these variances.

While tracking difference may occasionally cause underperformance relative to the index, they are generally expected to balance out over the long term. Clients should be prepared for potential deviations in pre-tax returns and understand that Wealthfront does not guarantee perfect alignment with the S&P 500®.

**Socially Responsible Investing Risk** - Clients who select Wealthfront Advisers' Socially Responsible portfolio or who customize their portfolio to include SRI investments may choose such investments based on their benefit and/or detriment to society, rather than profits or intrinsic value alone. This may result in lower returns for the Client compared to a Classic portfolio or Direct Indexing. This may also reduce a Client Account's exposure to certain sectors or types of investments, which could negatively impact the Client Account's performance. Additionally, a Client may disagree with the SRI classification of an issuer by our data provider. SRI norms

differ by region, and an issuer's practices may change over time. Accordingly, if an investment no longer meets the criteria for SRI, Wealthfront Advisers may be required to sell the investment at a disadvantageous price or time.

**Exposure to Digital Assets through Statutory Trusts** - Wealthfront Advisers offers long-term exposure to digital assets through investments in certain statutory trusts. The term digital asset refers to an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, but not limited to, so-called "virtual currencies," "coins," and "tokens." Although Wealthfront Advisers does not offer direct investment in digital assets, Clients opting to customize their portfolios may include an allocation of up to 10% of their total portfolio value to statutory trusts that hold digital assets ("Digital Assets Trusts").

Unlike ETFs, Digital Assets Trusts may lack efficient creation and redemption mechanisms. As a result, the price of Digital Assets Trusts can differ significantly from the value of the underlying digital assets. Further, because of the nature of underlying digital assets and their markets, investments in Digital Assets Trusts (and cryptocurrencies themselves) may be significantly more volatile than most securities-based ETFs, and are not suitable for all investors. Digital Assets Trusts may be significantly riskier than investments in more traditional assets like stocks, bonds, mutual funds, or ETFs. The price history of a Digital Assets Trusts may not be reflective of its future price potential, and digital asset investors should be able to withstand significant if not complete loss of invested capital.

**Inflation, Currency, and Interest Rate Risks** - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the US dollar-denominated assets primarily managed by Wealthfront Advisers may be affected by the risk that currency devaluations affect Client purchasing power.

**Risks Relating to Investment in a Concentrated Number of Securities or to Investment in Only One Industry Sector (or in Only a Few Sectors)** - When strategies invest in a concentrated number of securities, a decline in the value of these securities would cause your overall account value to decline to a greater degree than that of a less concentrated portfolio. Strategies that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than strategies that diversify among a broad range of sectors.

**Automated Bond Ladder Risks** - A bond ladder, depending on the length and amount of securities within the ladder, may not ensure adequate diversification of your investment portfolio. Compared to other fixed income strategies, a bond ladder strategy may potentially result in future reinvestment at lower interest rates, which may require higher minimum investments to maintain cost-effectiveness.

Investment value will fluctuate, and Treasuries, if sold before maturity, may be worth more or less than original cost. Fixed income securities are subject to various other risks including changes in interest rates and credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications, and other factors.

Although Treasuries in Automated Bond Ladders are backed by the full faith and credit of the United States, circumstances could arise that could prevent the timely payment of interest or principal, such as reaching a legislative “debt ceiling.” Such non-payment may result in payment delays or losses to the Client. Certain Treasuries can be less liquid than other investments.

**Partial or Fractional Shares** - Wealthront does not currently support ownership of fractional shares for an Automated Investing Account, or Automated Bond Portfolio. Without fractional shares, it may be more difficult to achieve a diversified portfolio because the price of a single share of a given security may be high and may deplete the budget available to build a diversified portfolio. At the same time, without fractional shares, Clients may hold more cash than may be advisable because of the high price of buying a whole share of a given security.

**College Savings Account Risks** - 529 Accounts are subject to various risks, including but not limited to:

*Special Nature of Plan Interests* - The Client and the Client’s beneficiary do not have access or rights to any assets of the state sponsoring our 529 Plan or any assets of the state trust of the Section 529 college savings plan (a “Plan”) other than the assets credited to the Client’s account for that beneficiary. The 529 Account is an investment vehicle. 529 Accounts are subject to certain risks including: (i) the possibility that the Client may lose money over short or even long periods of time; (ii) the risk of changes in applicable federal and state tax laws and regulations; (iii) the risk of Plan changes including changes in fees and expenses; and (iv) the risk that contributions to the 529 Account may adversely affect the eligibility of the beneficiary or the Client for financial aid or other benefits. Some MFSs in a Client’s 529 Account carry more and/or different risks than others. Clients should weigh such risks with the understanding that they could arise at any time during the life of the Client’s account.

*Municipal Fund Securities* - When the Client contributes to the 529 Account, the Client’s money will be invested in MFSs. An investment in the Client’s 529 Account is not a bank deposit. None of the Client’s account, the principal the Client invests, nor any investment return is insured or guaranteed by (i) any state or any state agencies, instrumentalities or funds, (ii) any officer, official, staff member of any state, (iii) any Plan or any program manager of any such Plan, (iv) any board of any state trust issuing MFSs for a Plan (a “Board”), (v) any such state trust (as “State Trust”), (vi) Wealthfront Advisers, (vii) each of their respective affiliates, officials, officers, directors, employees and representatives, (viii) the federal government, (ix) the Federal Deposit Insurance Corporation (“FDIC”), or (x) any other governmental agency. Investment returns will vary depending upon the performance of the designated portfolios in the Client’s account. A Client could lose all or a portion of the Client’s investment.

*Relatively Short Investment Time Horizon* - Relative to investing for retirement, the holding period for college savings investors is very short (e.g., 10 years versus 60 years). Also, the need for liquidity during the withdrawal phase (to pay for qualified higher education expenses) generally is very important. Clients should strongly consider the level of risk they wish to assume when completing the risk questionnaire upon account opening.

*Limited Investment Direction* - Clients may not direct the underlying investments in their 529 Account. The ongoing money management is the responsibility of Wealthfront Advisers. The only manner in which Clients can affect the money management is to change their risk score, which is limited to two times per year, or upon the change of the beneficiary. Once the permitted two per calendar year risk score changes are made in the Client's account, a subsequent risk score change in the Client's account within the same calendar year will not be processed. The choice of the underlying investments of the MFSs is subject to the approval of the Board. Automatic investment exchanges that occur as the Client's assets move through the glide path do not count towards the Client's twice per calendar year investment exchange limit.

*Liquidity Risk* - Investments in a Plan are considered less liquid than other types of investments (e.g., investments in mutual fund shares) because the circumstances in which a Client may withdraw money from a Plan account without a penalty or adverse tax consequences are significantly more limited.

*Potential Changes to the Plan* – Boards generally reserve the right, in their sole discretion, to discontinue the Plan or to change any aspect of the Plan. For example, the Board may change the Plan's fees and expenses; add, subtract, or merge the MFSs; close a MFS to new investors; or change the program manager or the underlying investment(s) of a MFS. Depending on the nature of the change, a Client may be required to, or prohibited from, participating in the change with respect to accounts established before the change. A particular program manager may not necessarily continue as the Plan's program manager, and Wealthfront Advisers may not necessarily continue as investment adviser and distributor to a Plan (although Wealthfront Advisers will continue as the Client's investment adviser until either Wealthfront Advisers or the Client terminates that investment advisory relationship).

Changes to a Plan may or may not be beneficial to Clients. The Board may terminate the Plan by giving written notice to the Client, but even if the Board terminates the Plan, the Client and the Client's beneficiary's rights to the Client's account assets will be unaffected. An MFS may be temporarily uninvested during a transition from one investment underlying an MFS to another underlying investment. The transaction costs associated with any liquidation, as well as any market impact on the value of the securities being liquidated, will be borne by the MFS which ultimately may impact the individual portfolios holding that MFS.

*Status of Federal and State Law and Regulations Governing a Plan* - Federal and state law and regulations governing the administration of Plans could change in the future. In addition, federal and state laws on related matters, such as the funding of higher education expenses, treatment of financial aid, and tax matters are subject to frequent change. It is unknown what effect these kinds of changes could have on a 529 Account. Clients should also consider the potential impact of any other state laws on their account. Clients should consult their tax advisor for more information.

*Eligibility for Financial Aid* - The treatment of 529 Account assets may have an adverse effect on the beneficiary's eligibility to receive assistance under various federal, state, and institutional financial aid programs.

*No Guarantee That Investments Will Cover Qualified Higher Education Expenses; Inflation and Qualified Higher Education Expenses* - There is no guarantee that the money in a Client's 529 Account will be sufficient to cover all of a beneficiary's qualified higher education expenses, even if contributions are made in the maximum allowable amount for the beneficiary. The future rate of increase in qualified higher education expenses is uncertain and could exceed the rate of investment return earned by a Plan account over any relevant period of time.

Investors in any Plan should read the Plan's offering documents and any related participation agreement carefully before investing or sending money. For more information on risks related to 529 Accounts, see the "Plan Risks" section of the Wealthfront 529 College Savings Plan Description and Participation Agreement.

**Portfolio Line of Credit** - Qualified clients who choose to use Wealthfront Brokerage's PLOC are alerted to the following risks:

- PLOC is a margin loan product offered by Wealthfront Brokerage exclusively to Clients of Wealthfront Advisers with a fully discretionary, taxable account by Wealthfront Advisers and who meet other minimum account thresholds. Clients should review the risks listed below and in Wealthfront Brokerage's Margin Handbook, and consider them before borrowing. For the purposes of this document, Client Accounts utilizing the PLOC may be referred to as "margin accounts."
- Clients who utilize margin loans can lose more funds than deposited in their margin accounts. In addition, a decline in the value of the securities in margin accounts may require such Clients to provide Wealthfront Brokerage with additional funds to avoid the forced sale of securities or other securities or assets in their margin accounts. This is called a "margin call."
- Wealthfront Brokerage can issue a margin call and force the sale of securities in Client margin accounts if the equity in a Client margin account falls below the minimum requirement described in our [Margin Handbook](#). Wealthfront Brokerage can sell the securities in any of the Client's margin accounts held with Wealthfront Brokerage to cover the margin deficiency. Clients also will be responsible for any shortfall in the margin account after such a sale.
- Wealthfront Brokerage notifies Clients whose portfolio balances approach our minimum margin requirement well before a margin call is likely to happen even though such notice is not strictly required. Unless such Clients pay back their loan or a portion of it, Wealthfront Brokerage can sell Client securities in margin accounts without further contacting the Client if the margin account falls below our minimum margin requirement. Even if Wealthfront Brokerage has contacted a Client and provided a specific date by which the Client can meet a margin call, Wealthfront Brokerage can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the Client.
- In the event it is necessary to sell securities to meet minimum margin requirements,

Wealthfront Advisers will automatically liquidate securities to cover the minimum margin requirements while also maintaining appropriate asset allocations in the Client's portfolio. Clients are not entitled to choose which securities in their account(s) are liquidated or sold to meet a margin call.

- Wealthfront Brokerage can increase its minimum margin requirements at any time and is not required to provide advance written notice to Clients. These changes in Wealthfront Brokerage's policy often take effect immediately and may result in the issuance of a maintenance margin call. A Client failure to satisfy the call will cause Wealthfront Brokerage to liquidate or sell securities in Client margin accounts.
- Clients are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to a Client under certain conditions, a Client does not have a right to the extension.

Securities Lending Program - Participation in the Securities Lending Program involves risks that Participants should carefully consider. Loaned securities are not covered by Securities Investor Protection Corporation ("SIPC") protections once transferred from the Participant's account, meaning that in the event of a default by Wealthfront Brokerage or a third-party borrower, recourse may be limited to the cash collateral pledged for the loans. Wealthfront Brokerage will maintain collateral at levels ranging from 102% to 105% of the value of the loaned securities. The value of securities on loan will be monitored daily, and collateral will be adjusted accordingly. Fluctuations in market value and the timing of payments to maintain collateral, however, may impact the adequacy of collateral. Participants will not have voting rights on loaned securities. Participants will receive cash payments in lieu of dividends, which are subject to different (generally less favorable) tax treatment than qualified dividends, and Wealthfront Advisers will not compensate Participants for any increased tax liability resulting from this different treatment. Additionally, loaned securities may be used by third-party borrowers to facilitate short selling, which may make Clients' lent securities "hard-to-borrow" or be used to satisfy delivery requirements resulting from short sales, which could put downward pressure on the price of those securities. Wealthfront Advisers does not guarantee the return of loaned securities or uninterrupted participation in the Program. Participants should consult a tax advisor to evaluate the tax implications of participating in the Program, as tax treatment may vary depending on individual circumstances.

## **Item 7 Client Information Provided to Portfolio Managers**

On a periodic basis, Wealthfront Advisers contacts each Client to remind them to review and update the investment profile information they previously provided. Wealthfront Advisers also requests that Clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the Client's current information and contact information for the Wealthfront Advisers support team. Currently the Wealthfront Advisers team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: the Client Services Manager and the Client Services team.

Wealthfront Advisers conducts separate reviews related to the ETFs and other investments used for Client portfolios. Wealthfront Advisers' Investment Committee, a committee of certain Wealthfront Advisers officers who are not members of the Wealthfront Advisers investment

research team, approves these reviews. The committee has the authority, if necessary, to remove, add or replace an ETF or other investments from the portfolios advised by Wealthfront Advisers.

## **Item 8 Client Contact with Portfolio Managers**

All client contacts and communications regarding participation in the Wealthfront Advisers Program will occur through contact with Wealthfront Advisers via email, the Site or the App. If Client changes Client's investment profile information, Wealthfront Advisers will promptly make any appropriate changes to Client's Account portfolio. See Item 16 in Wealthfront Advisers' Form ADV Part 2A brochure for a description of Wealthfront Advisers' discretionary investment authority, including the timing of Wealthfront Advisers' placement of trade orders, for while Wealthfront Advisers seeks to respond to Client deposits, Client changes in risk profiles, Client withdrawal requests, including without limitation requests in connection with terminations, and other reasonable Client requests in a timely and reasonable manner, Wealthfront Advisers does not represent or guarantee that Wealthfront Advisers will respond to any such Client actions or requests immediately or in accordance with a set time schedule.

## **Item 9 Additional Information**

### **A. Disciplinary Information**

On December 21, 2018, Wealthfront Advisers reached a settlement with the Securities and Exchange Commission. The settlement order found that Wealthfront Advisers improperly retweeted certain clients' positive tweets from its corporate account and compensated certain bloggers for client referrals without proper disclosures. Additionally, the settlement order found that Wealthfront Advisers did not have proper disclosures in its TLH white paper concerning monitoring for any and all wash sales that could occur in client accounts. A wash sale prevents the tax benefit of having sold the asset to realize a loss. Thus, a wash sale can diminish the effectiveness of TLH by deferring to a future year a tax loss that could have been used to offset income or capital gains in the current year. In Wealthfront's TLH program, wash sales could occur, or were permitted, in certain circumstances relating to the management of a client account such as rebalancing a client portfolio or client directed transactions. The SEC order noted that a significant percentage of client accounts enrolled in Wealthfront Advisers' TLH strategy experienced wash sales in the period from October 2012 to May 2016 and that wash sales represented approximately 2.3% of tax losses harvested for clients in the period from January 2014 to December 2016.

The settlement order found that Wealthfront Advisers violated the antifraud, advertising, compliance, and other provisions of the Investment Advisers Act of 1940. Without admitting or denying the SEC's findings, Wealthfront Advisers consented to the entry of the SEC's order censuring it, requiring it to cease and desist from further violations, and imposing a \$250,000 penalty.

### **B. Other Financial Industry Activities and Affiliations**

Wealthfront Advisers uses its affiliate, Wealthfront Brokerage, to effect transactions on behalf of Wealthfront Advisers' Clients for non-529 Accounts. Wealthfront Brokerage is both a carrying and introducing broker registered with the FINRA and the SEC, whose sole purpose is to service Wealthfront Advisers' Clients and carry non-529 Accounts that Wealthfront Advisers manages

pursuant to fully discretionary and limited discretionary authority granted to Wealthfront Advisers by its Clients. For Accounts other than 529 Accounts, Wealthfront Brokerage, as a broker-dealer, has entered into an omnibus clearing agreement with RBC Clearing & Custody (“RBC,” or “Clearing Broker”). Wealthfront Brokerage instructs the Clearing Broker on behalf of Wealthfront Advisers to clear and settle Wealthfront Advisers Client transactions on an omnibus basis for Client securities orders that Wealthfront Brokerage currently places with either Citadel LLC, Virtu Financial, GTS Securities LLC, RBC, or Tradeweb LLC (the “Approved Brokers”). The Clearing Broker also has omnibus custody of Client cash balances and securities positions. 529 Accounts are carried by Ascensus College Savings Recordkeeping Services, LLC (“Ascensus”), which has a custodial arrangement with the Bank of New York Mellon Corporation.

For Securities Lending activity, securities held in Participant accounts may be loaned to Wealthfront Brokerage. Wealthfront Brokerage has engaged Sharegain to act as lending agent. Sharegain provides infrastructure to facilitate the lending of securities to third-party borrowers and supports program operations including borrower onboarding. This support includes assistance with Wealthfront Brokerage’s screening and approving eligible third-party borrowers, loan matching, and collateral management. Wealthfront Brokerage supervises all third-party borrower due diligence and lending activity conducted through Sharegain’s platform. Cash collateral received from third-party borrowers is transferred to and maintained in a segregated account at JPMorgan Chase Bank, N.A. for the benefit of Wealthfront Advisers’ Clients, with Wilmington Trust, National Association, acting as trustee. Wealthfront Advisers and Wealthfront Brokerage receive a portion of the compensation generated from securities lending, and Sharegain is compensated pursuant to a separate agreement with Wealthfront Brokerage.

### **C. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Wealthfront Advisers’ paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its Clients. This means that Wealthfront Advisers puts the interests of its Clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. Wealthfront Advisers has adopted a Code of Ethics, which is designed to ensure that we meet our fiduciary obligation to Clients, enhance our culture of compliance within the firm, and detect and prevent any violations of securities laws.

Wealthfront Advisers’ Code of Ethics (the “Code”) establishes standards of conduct for all Wealthfront Advisers’ employees, including all officers, directors, employees, certain contractors and others (“Access Persons”), and is consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code includes general requirements that all Access Persons comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

Each new Wealthfront Advisers’ Access Person receives a copy of the Code after obtaining access to company systems. Wealthfront Advisers sends copies of any amendments to the Code to all Access Persons, who must acknowledge in writing having received the Code and the amendments. Annually or as otherwise required, each Access Person must confirm to Wealthfront Advisers that they have complied with the Code during such preceding period.

Wealthfront Advisers' Access Persons may personally invest in securities recommended by Wealthfront Advisers, specifically the ETFs or other investments recommended for each asset class and individual large and mid-capitalization stocks recommended for advanced forms of TLH. Wealthfront Advisers' Access Persons may also buy or sell specific securities for their own accounts that are not purchased or sold ahead of Clients. Wealthfront Advisers monitors the securities transactions of all Access Persons to determine whether there have been any improper use of client trading information by Access Persons. It also requires all Access Persons to report any violations of the Code promptly to Wealthfront Advisers' Chief Compliance Officer. The complete Code of Ethics is available to any client or prospective Client upon request.

#### **D. Review of Accounts**

Wealthfront Advisers provides all Clients with continuous access via the App and/or the Site where Clients can access their Account documents, such as account statements, and review their time-weighted and money-weighted returns. Clients also receive periodic e-mail communications describing portfolio performance, Account information, and product features.

Wealthfront Advisers software-based investment advisory service assumes a Client's Automated Investing Account will not stay optimized over time and must be periodically rebalanced back to its target allocation. Wealthfront Advisers' software continuously monitors and periodically rebalances each Client's portfolio that is fully-discretionary. Wealthfront Advisers also conducts reviews when Clients make changes to their risk profiles. Wealthfront Advisers considers tax implications and the volatility associated with each of the chosen asset classes when deciding when and how to rebalance, however no assurance can be made by Wealthfront Advisers that Clients will not incur capital gains, and in certain instances significant capital gains, when Client portfolios are rebalanced periodically. Wealthfront Advisers assumes no responsibility to its Clients for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of Client Accounts.

On a periodic basis, Wealthfront Advisers contacts each Client to remind them to review and update personal profile information they previously provided. Wealthfront Advisers also requests that Clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the Client's current information and contact information for the Wealthfront Advisers support team. Currently the Wealthfront Advisers team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are the Product Support team.

Wealthfront Advisers' Investment Committee (the "Committee"), a committee of certain Wealthfront Advisers officers who are not members of Wealthfront Advisers' investment research team, conducts and approves separate reviews related to the securities used for Client portfolios. The Committee has the authority, if necessary, to remove, add, or replace securities or other investments from portfolios held at Wealthfront Advisers.

#### **E. Client Referrals and Other Compensation**

Wealthfront Advisers expects from time to time to run promotional campaigns to measure interest and to attract Clients to open Accounts on the Site. These promotions may include, but are not limited to, referral programs pursuant to which Clients, or third parties, invite non-Clients to open an account with Wealthfront Advisers. These promotions may also include additional Account

services or products offered on a limited basis to select current and prospective Clients (including, but not limited to, current or prospective Clients who are employees of the same company or other current or prospective Clients with common characteristics), such as different fee arrangement structures, which could include more favorable fee arrangements, a higher interest rate, cash compensation and/or cash contributions to an Account, reduced or waived advisory fees for Clients, and/or periodic, flat fees for certain advisory or account services.

These arrangements may create an incentive for a third party or other existing Client to refer prospective Clients to Wealthfront Advisers, even if the third party would otherwise not make the referral. These arrangements may also create a conflict of interest for a Client to maintain a certain level of assets managed through Wealthfront Advisers if doing so would result in eligibility to receive an incentive, bonus, or additional compensation.

Wealthfront Advisers compensates third parties to create and share advertising materials regardless of whether an individual funds an Account. Additionally, in certain instances, Wealthfront Brokerage provides Wealthfront Advisers' Clients compensation as a promotional offer to open accounts at Wealthfront Brokerage.

## **F. Financial Information**

Wealthfront Advisers does not require or solicit the prepayment of any advisory fees and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.

## **ESIGN Consent to Use Electronic Records, Disclosures and Signatures**

In this ESIGN Consent to Use Electronic Records, Disclosures and Signatures ("Consent"), please remember that "you" and "your" refer to the person who is establishing an account, as well as any future accounts, with us, and "we", "us" and "our" refer to Wealthfront Advisers LLC ("Wealthfront Advisers", the successor investment adviser to Wealthfront Inc.) and Wealthfront Brokerage LLC ("Wealthfront Brokerage" and formerly known as Wealthfront Brokerage Corporation) as the case may be (collectively, the "Company"). "Communications" means each disclosure, notice, agreement, fee schedule, statement, record, document, and other information we provide to you, or that you sign or submit or agree to at our request.

By opening an account with us (each an "Account" or a Wealthfront Account) and then accessing your Account, you are consenting to the following terms:

### **1. Your consent to use and delivery of electronic records and disclosures.**

In our sole discretion, the Communications we provide to you, or that you sign or agree to at our request, may be delivered to you in electronic form ("Electronic Records"). You specifically agree to the electronic delivery (i.e. the receipt and/or obtaining) of Electronic Records and Disclosures from the Company. The term "Electronic Records" includes, but is not limited to, any and all current and future notices and/or disclosures, prospectuses, statement of additional information, annual and semi-annual reports that various federal and/or state laws or regulations require that the Company provides to you, as well as such other documents, statements, data, records and any other communications regarding your relationship to the Company. You acknowledge that, for your records, you are able to retain the Company's Electronic Communications by printing and/or downloading and saving this Consent and any other agreements and Electronic Communications, documents, or records that you agree to using your ESignature (as defined below). You accept Electronic Communications provided via your account with the Company as reasonable and proper notice, for the purpose of any and all laws, rules, and regulations, and agree that such electronic form fully satisfies any requirement that such communications be provided to you in writing or in a form that you may keep.

The following are examples of Electronic Records and Disclosures covered by your Consent:

- Advisory Client Agreement with Wealthfront Advisers LLC and all amendments, notices and other agreements that supplement the Advisory Client Agreement (the "Advisory Client Agreement");
- Customer Brokerage and Custody Agreement with Wealthfront Brokerage LLC and all amendments, notices and other agreements that supplement the Customer Brokerage and Custody Agreement (the "Customer Brokerage and Custody Agreement");
- Any other agreements pertaining to future accounts that you may establish with Wealthfront Advisers and/or Wealthfront Brokerage and all amendments, notices and other agreements that supplement those agreements;
- Wealthfront Advisers' Form ADV Part 2 (including Wealthfront Program Brochure), Notice of Privacy Policy, Terms of Use and other required and permitted legal disclosures; and
- Statements and reports, including without limitation account statements, fee calculation statements, transactions histories, trade confirmations, tax forms, reports and/or performance reports, prospectuses, statement of additional information, annual and semi-annual reports of mutual funds and exchange traded funds (ETFs).

### **2. Your acknowledgement and consent to Electronic Signature.**

You agree that your use of a keypad, mouse or other device to select an item, button, icon or similar act/action, or to otherwise provide the Company with instructions, or in accessing or making any transaction regarding any agreement, acknowledgement, consent terms, disclosures or conditions constitutes your signature (hereafter referred to as "E-

Signature"), acceptance and agreement as if actually signed by you in writing. You acknowledge you are signing this Consent, the Advisory Client Agreement and the Customer Brokerage and Custody Agreement with an E-Signature. You agree your E-Signature is the legal equivalent of your manual signature on this Consent, the Advisory Client Agreement and the Customer Brokerage and Custody Agreement. You consent to be legally bound by this Consent's terms and conditions. You also agree that no certification authority or other third-party verification is necessary to validate your E-Signature and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting contract between you and the Company. You represent that you are authorized to execute this Consent, the Advisory Client Agreement and the Customer Brokerage and Custody Agreement for all persons who own or are authorized to access any of your accounts and that such persons will be bound by the terms of this Consent, the Advisory Client Agreement and the Customer Brokerage and Custody Agreement.

### **3. Paper versions of Electronic Communications.**

You may obtain a paper copy of the Electronic Records, at any time by notifying us via [support@wealthfront.com](mailto:support@wealthfront.com). We will not charge you a fee for the paper copy.

### **4. Revocation of electronic delivery.**

This Consent will apply on an ongoing basis unless you withdraw this Consent. You have the right to withdraw the Consent to Electronic Records and the use of your E-Signature at any time. You acknowledge that we reserve the right to restrict or terminate your access to Wealthfront Advisers, including without limitation the Wealthfront Advisers' website ("Site") and its mobile application ("App"), if you withdraw Consent to Electronic Records and E-Signatures. If you wish to withdraw your Consent, contact us at [support@wealthfront.com](mailto:support@wealthfront.com).

### **5. Hardware, software and operating system.**

To receive the Electronic Records, you will need a computer or mobile device with a compatible operating system and web browser, and connection to the Internet, and you will need access to a printer or the ability to download information in trading instruction to keep copies for your records. The currently compatible operating systems and web browsers are identified at <https://www.wealthfront.com/system-requirements>. Changes, if any, to these system hardware and software requirements will be updated on the Site or in the App. You must periodically refer to the Site or the App for current system requirements. By establishing and then accessing an Account, you are indicating that you have the capability to access the agreements and other information, including the disclosures, and download or print copies for your records. You are responsible for installation, maintenance, and operation of your computer, mobile device, browser and software. The Company is not responsible for errors or failures from any malfunction of your computer, browser or software. The Company is also not responsible for computer viruses or related problems associated with use of an online system. The currently compatible computer and mobile device operating systems and web browsers are identified at <https://www.wealthfront.com/system-requirements>.

The following are the minimum hardware, software and operating system requirements necessary to use Wealthfront and receive Electronic Communications:

- a Current Version of an Internet browser we support,
- a connection to the Internet,
- a Current Version of a program that accurately reads and displays PDF files (such as Adobe Acrobat Reader), and

- a computer or mobile device and an operating system capable of supporting all of the above. You will also need a printer if you wish to print out and retain records on paper, and electronic storage if you wish to retain records in electronic form.

You must also have an active email address.

By "Current Version," we mean a version of the software that is currently being supported by its publisher.

It is recommended that you print a copy of this Agreement for future reference.

# Wealthfront Privacy Policy

Policy Effective Date: July 1, 2025

## Your Privacy Matters

Wealthfront's number one priority is your trust. Your privacy is essential to earning and keeping that trust. This tenet drives all of the decisions we make, as well as how we gather, use and store any information we acquire from you.

We created this Privacy Policy to be as clear and direct as possible about how we gather and use your non-public personal information and other types of personal information ("Personal Information") and to assist you in exercising your privacy rights.

## Introduction

Wealthfront Corporation and/or its affiliates ("Wealthfront", "we", "us" and/or "our") currently offer a cash product, financial planning software and portfolio management services, home lending, and may offer additional products and services in the future (collectively, the "Services"), through Wealthfront's website, [www.wealthfront.com](http://www.wealthfront.com) ("Site") and our mobile applications ("App"). This Privacy Policy describes how Wealthfront treats your Personal Information when you use our Site, App and/or Services. This Privacy Policy is jointly issued by Wealthfront Corporation, Wealthfront Advisers LLC, Wealthfront Brokerage LLC, Wealthfront Home Lending, LLC and Wealthfront Software LLC. Each entity is committed to upholding the privacy practices outlined herein, ensuring the protection and responsible handling of your Personal Information across all our services.

For the purpose of this Privacy Policy, a "User" is a party who creates an account on our Site or App only to use our free financial planning software and/or to understand or evaluate our Services; and a "Client" is a party (including a User) who signs one of our [Client Agreements](#) for any reason, including to open a Cash Account or engage in portfolio management or home lending services.

Our Privacy Policy, [Website Terms of Use](#), [Financial Planning Terms of Use](#), Home Lending Terms of Use, and [Client Agreements](#), govern different aspects of your use of our Site, App, and Services. Additionally, within this Privacy Policy, we include separate notices to address specific regulatory and geographical requirements.

If you have a Wealthfront account or have begun the registration process, please refer to Wealthfront's Financial Privacy Notice for detailed information on how we handle information we collect from consumers or Clients that is covered by the federal Gramm-Leach-Bliley Act or related state financial privacy laws ("**Financial Privacy-Covered Data**").

**Financial Privacy-Covered Data:** As part of our financial products and services, we collect certain Personal Information including, but not limited to, your Social Security number, income, birth date, citizenship, marital status, self-portrait photographs, government-issued identification documents, investable assets, financial planning information about your household, investment objectives, investment experience, investment risk tolerance, approximate net worth, tax information, employment information, stock restrictions, account information from your linked outside financial institutions, financial account and routing numbers, financial account log-in credentials, and security questions associated with your linked accounts. This data is handled in accordance with the federal Gramm-Leach-Bliley Act, which requires financial institutions to protect consumers' private information, along with applicable state financial privacy laws. We will never rent, sell, or trade your Personal Information to anyone. For information on how we use this data, see the section "How We Use Information" below.

For information related to Financial Privacy-Covered Data, please see Wealthfront's Financial Privacy Notice below.

## Information Collection

The categories of information we collect from Users differs from what we collect from those who qualify as Clients. Examples of instances when we collect Personal Information include:

- when you answer questions on the Site or in the App to determine what kind of portfolio we might recommend if you were to become a Client,
- when you register to open an account either as a User or a Client,
- when you contact our client service organization with questions, or
- when you agree to enter one of our Client Agreements.

### Information We Collect from Users and Clients

We collect Personal Information from Users and Clients, including but not limited to:

- name, e-mail address, telephone number, zip code, Internet Protocol address, birth date;
- investable assets, income information, and other financial planning information about your household; and
- account numbers, routing numbers, and login credentials for the financial accounts you choose to link to our Services, any challenge and/or security questions associated with those linked accounts, and any information contained in those linked accounts. (Note: The section labeled "Information We Collect When Acting As Your Authorized Agent" provides additional details regarding how we use and protect this information.)

### Additional Information We Collect from Clients Only

In addition to the information described above, Clients provide us additional Personal Information, including but not limited to:

- your full legal name, contact information, birth date, Social Security Number, citizenship, and marital status;
- the full legal name, birth date, and Social Security Number of any beneficiaries that Clients choose to list;
- for purposes of identity verification, government-issued identification documents and self-portrait photographs ("selfie"); and
- investment objectives, approximate net worth, tax information, and other information required by federal and industry laws and regulations, such as employment information and stock restrictions (see our [Client Agreements](#)).

You are not required to provide these items to us to become a User, but Users who choose not to provide these items to us will not be able to become Clients.

### Information We Collect When Acting As Your Authorized Agent

Many of Wealthfront's Users and Clients choose to input information from accounts at outside third-party financial institutions onto their Wealthfront dashboard on our Site or in our App. Although there is no requirement to do so, if you choose to enable Wealthfront to collect information from your outside accounts, Wealthfront retrieves your outside account information maintained by your outside financial institutions ("Outside Account Information") as described in this section.

By linking your outside accounts to your Wealthfront account, you provide Wealthfront access to your Outside Account Information, which may include prior and current account balances, your transaction history, and holdings from your linked outside financial institutions. Portions of this Outside Account Information will be displayed on your Wealthfront dashboard. Wealthfront may use the Outside Account Information we receive to formulate your financial projections in Path, to move money between your linked outside financial institutions and Wealthfront in accordance with your instructions and authorizations (such as via our Automated Savings Plan), in connection with our fraud prevention activities, or for other purposes consistent with this Privacy Policy and the Services we provide to you. Wealthfront may also use aggregated Outside Account Information from our Users and Clients for purposes of deciding which products and services to offer in the future.

By choosing to use our Services to aggregate and analyze your Outside Account Information, you expressly authorize and direct Wealthfront, on your behalf, to access all Outside Account Information available via the login credentials you provide. You also authorize and direct Wealthfront periodically to refresh your retrieved Outside Account Information by re-accessing your linked third-party accounts using your login credentials for so long as the ACH link remains active. Wealthfront uses Yodlee, Inc. ("Yodlee") as our third-party service provider for the collection, use, storage, and handling of data in connection with our account aggregation services and for purposes of verifying the outside accounts. Wealthfront does not store the login credentials for your linked third-party accounts after the credentials have been transmitted to Yodlee, but we may store your login names in encrypted form for purposes of fraud detection and prevention. As Wealthfront's service provider, Yodlee is responsible for storing your credentials, collecting and processing your Outside Account Information, and providing it to us using the login credentials you supply. You can view Yodlee's privacy notice [here](#) and Yodlee's commitment to clients and consumers [here](#). Any Outside Account Information that Wealthfront receives from Yodlee is in read-only format, and Wealthfront cannot alter the Outside Account Information maintained by your third-party institution. All transmissions of your Outside Account Information and your login credentials between Yodlee and Wealthfront are encrypted in transit. Wealthfront retains your Outside Account Information collected via this account-linking service in accordance with our regulatory recordkeeping requirements, as permitted by law, as described elsewhere in this Privacy Policy, and as required in connection with the maintenance of your account and the Services we provide to you.

Users may request deletion of their Outside Account Information in accordance with the "Retention and Deletion" section below. Wealthfront does not share your Outside Account Information with outside parties except in limited cases relating to fraud investigations. In such fraud investigations, we may share certain of your Outside Account Information with your linked third-party institution. We also reserve the right to share Outside Account Information with third parties as required by law. If you choose to remove or deactivate a link to an account with a third-party institution, we will not retrieve any new Outside Account Information for that account unless you re-link that account in the future.

### **Information We Collect via the Referral Program**

Wealthfront manages referral programs that allow Clients to receive a benefit in exchange for referring an individual who becomes a Client. Participation in any of our referral programs is free and voluntary for our Clients. By participating, a Client is asked to provide to Wealthfront the name and e-mail address of each person to whom Client refers Wealthfront's Services. We treat this information like all other Personal Information described in this Privacy Policy.

### **Information Regarding Children**

Due to the nature of our business, our Services are not available to minors. Except for beneficiary information as described above, Wealthfront does not knowingly solicit Personal Information directly from or about persons under the age of 18.

If you are under the age of 18, please do not submit any Personal Information to Wealthfront.

If you are a parent or guardian who becomes aware that, without your consent, your child under the age of 18 has directly provided us with Personal Information, you should contact us at [support@wealthfront.com](mailto:support@wealthfront.com), and we will delete such information from our files to the extent permitted by regulatory requirements.

## Other Ways We Collect Information

Other means by which we collect Personal Information include the following:

1. **Automatic Data Collection.** When you use our Services, we may collect your Internet protocol (“IP”) address; cookie identifiers; mobile carrier, mobile advertising and other unique identifiers; details about your browser, operating system or device; location information; Internet service provider information; pages that you visit before, during and after using the Services; information about the links you click; and other information about how you use the Services. Information we collect may be associated with accounts and other devices.
2. **Anonymized or Aggregated Information.** Wealthfront’s Site and App record certain anonymized or aggregated information about your use or evaluation of our Services. Anonymized or aggregated information is used for a variety of purposes, including the measurement of Users’ and Clients’ interest in and use of various portions or features of the Site and App. Anonymized or aggregated information is not Personal Information, and we may use such information in a number of ways, including for internal analysis and research. We may share this information with third parties for our purposes in an anonymized or aggregated form that is designed to prevent anyone from identifying you.
3. **Cookies and Pixels.** Similar to other consumer internet services, Wealthfront uses cookies, a small piece of computer code that enables our Web servers to identify Users and Clients, each time an individual initiates a session on our Site. A cookie is set in order to identify you and tailor the Site to you. Cookies do not store any of the Personal Information that you provided to us; they are simply identifiers. You may delete cookie files from your hard drive at any time through your browser settings. However, cookies may be necessary to provide access to much of the content and many of the features of the Site.
4. **Pixel Tags.** Along with cookies, we may use “pixel tags,” also known as “web beacons,” which are small graphic files that allow us to monitor the use of our Site. A pixel tag can collect information such as the IP address of the computer that downloaded the page on which the tag appears; the URL of the page on which the pixel tag appears; the time the page containing the pixel tag was viewed; the type of browser that fetched the pixel tag; and the identification number of any cookie on the computer previously placed by that server.
5. **Site and App Activity.** Wealthfront may also use third-party tracking technology, such as Google Analytics, to record your activity on our Site and App.
6. **“Do Not Track” Technology.** We do not collect Personal Information about your online activities over time and across different websites or online services. Therefore, our Site does not respond to Do Not Track (“DNT”) signals. We do not knowingly authorize third parties to collect Personal Information about your online activities over time and across different websites or online services.
7. **Surveys.** We may contact you to participate in surveys. If you decide to participate, you may be asked to provide certain information which may include Personal Information.

## How We Use Information

### No Renting, Selling, or Trading

We will **never** rent, sell, or trade your Personal Information to anyone. Ever.

## **User Personal Information**

We utilize the Personal Information of our Users for a variety of business purposes, such as to help our Users evaluate our Services, offer new products and services, enhance our Services, and for research and internal analysis.

## **Client Personal Information**

Wealthfront stores, processes, and maintains Personal Information of our Clients for a variety of business reasons such as to provide client support, analyze and improve our Services, offer new products and services, and provide our Services to Clients in accordance with the rules of regulatory authorities..

### **Identity Verification for Clients**

We may use third-party vendors for identity verification. These vendors analyze whether the Client's "selfie" matches the government-issued identity document. The information collected from Client photographs may constitute biometric information in some jurisdictions. Where required by law, we will seek consent from you prior to any such collection. We require our third-party vendors who support identity verification to agree to destroy any potential biometric data that is created or gathered for purposes of verifying your identity no more than ninety (90) days after its collection.

### **Cross-Device Tracking**

Your browsing activity may be tracked across different websites and different devices or apps. For example, we may attempt to match your browsing activity on your mobile device with your browsing activity on your computer. To do this, we may analyze your browsing patterns, geo-location and device identifiers to match the information of the browser and devices that appear to be used by the same person.

### **Social Media and Links to Other Websites and Applications**

This Privacy Policy and these terms apply only to Wealthfront-operated Services and applications. Please note that our Site and Apps may for your convenience contain links to other websites, applications, social media accounts, and information that are not operated by Wealthfront. Wealthfront does not control these linked third-party websites or their privacy practices, which may differ from those set out in this Privacy Policy. Any Personal Information you choose to provide to linked third parties is not covered by this Privacy Policy. We encourage you to review the privacy policy of each company or website before submitting any Personal Information. Some third parties may choose to share their users' Personal Information with us; that sharing is governed by that company's privacy policy, not this Privacy Policy.

### **Mobile Computing**

Wealthfront provides websites and online resources that are specifically designed to be compatible for use with mobile computing devices. Mobile versions of our Site are governed by the provisions hereunder related to the Site and may require that you log in with an account. In such cases, information about the use of each mobile version of the website may be associated with your accounts. In addition, we may enable individuals to download tools, such as an application, widget or other tool, that can be used on mobile or other computing devices. Some of these tools may store information on mobile or other devices. These tools may transmit Personal Information to Wealthfront to enable you to access your account information and to enable us to track the use of these tools. Some of these tools may enable users to e-mail reports and other information from the tool. We may use Personal Information or non-identifiable information transmitted to us to enhance these tools, to develop new tools, for quality improvement, and as otherwise described in this Privacy Policy or in other notices we provide.

## Promotional Activity

We may run sweepstakes and contests. The contact information you provide may be used to reach you about the sweepstakes or contest and for other Wealthfront promotional or marketing purposes. In some jurisdictions, we are required to publicly share some winner information.

## Information Sharing and Onward Transfer

We will not share or disclose your Personal Information (whether you are a current or former User or Client) to any unaffiliated third parties except:

1. **To Protect Ourselves or Others.** We may share your Personal Information as required by law, such as when we reasonably believe it is necessary or appropriate to investigate, prevent, or take action regarding illegal activities, suspected fraud, front-running or scalping, situations involving potential threats to the personal safety of any person if we believe doing so is required or appropriate to: comply with law enforcement or national security requests and legal process, such as a court order or subpoena; to protect your, our or others' rights, property, or safety; enforce our policies or contracts; or collect amounts owed to us.
2. **Affiliates.** Wealthfront may share your Personal Information among affiliated Wealthfront entities in connection with the provision of Services to Clients and Users.
3. **Service Providers.** There are certain circumstances in which we may share your Personal Information with unaffiliated third-party service providers, including to perform certain business and technology-related functions and to support the provision of the Services. We may share your Personal Information with unaffiliated third-party service providers for the provision of certain services, including but not limited to the following: mailing information; trade settlement and clearing; data processing and storage; payment processing; identification verification and fraud detection; customer support; and marketing. You understand and agree that our third-party identity verification and fraud detection service providers may use your Personal Information, including your name, address, date of birth, and mobile phone number, to help us verify your identity. These service providers are required to protect your information and use it only for the purposes for which it was disclosed. We do not share Personal Information with any third parties for their own marketing purposes.
4. **Business Partners.** We may provide Personal Information to business partners with whom we jointly offer products or services. For example, we may share the information required to become a Client with our brokerage partner(s) solely to allow our brokerage partner(s) to provide and facilitate the provision of Services to our Clients.
5. **Disclosure in the Event of Merger, Sale, or Other Asset Transfers.** If we are involved in a merger, acquisition, financing due diligence, reorganization, bankruptcy, receivership, purchase or sale of assets, or transition of service to another provider, then your Personal Information may be transferred as part of such a transaction, as permitted by law and/or contract.

## Your Choices and Opting Out

### General

You have choices regarding the use and disclosure of your Personal Information, as set out in this Privacy Policy.

You may decline to provide Personal Information to Wealthfront. Declining to provide Personal Information may disqualify you from using Wealthfront Services, the Site, the App, and other features that require certain Personal Information.

## **Opting Out - Obtaining and Withdrawing Consent**

Where you have consented to Wealthfront's use of your Personal Information, you may withdraw that consent at any time by contacting us by email or physical mail via the contacts indicated under the "Questions and Contacting Us" section below. Clients and Users cannot opt out of providing Wealthfront Personal Information and continue to use the Services. Even if you opt out, we may still collect and use non-personal information regarding your activities on our Services and for other legal and regulatory purposes as described above. In addition to withdrawing consent by contacting us, Clients and Users must close their account(s) in order to opt out of further providing Wealthfront with Personal Information.

Before we use Personal Information for any new purpose we will provide information regarding the new purpose.

## **Email and Telephone Communications**

Wealthfront may use your Personal Information to communicate with you regarding our Services or to tell you about blog posts or Services that we believe will be of interest to you. If you decide at any time that you no longer wish to receive marketing communications from us, please follow the "unsubscribe" instructions provided in the communications or contact us at [support@wealthfront.com](mailto:support@wealthfront.com). Please note that you cannot opt out of administrative communications such as regulatory, billing, or service notifications, or updates to our Terms or this Privacy Policy.

We process requests to be placed on do-not-mail, do-not-phone, and do-not-contact lists as required by applicable law.

## **Mobile Devices**

We may send you push notifications through our mobile application. You may at any time opt out of receiving these types of communications by changing the settings on your mobile device. We may also collect location-based information if you use our mobile applications. You may opt-out of this collection by changing the settings on your mobile device.

## **Accessing Your Personal Information**

Users or Clients may contact us at [support@wealthfront.com](mailto:support@wealthfront.com) to request information about how to access your Personal Information.

- Wealthfront provides all Clients with continuous access to their Personal Information via the Site which contains information about account status, securities positions, and balances.
- Clients can access or amend their Personal Information at any time by signing in to their Wealthfront account via our Site or App.
- Your requests will be processed consistent with existing laws, including without undue delay and in accordance with any required time frames. Although Wealthfront makes good faith efforts to provide individuals with access to their Personal Information, there may be circumstances in which we are unable to provide access, including but not limited to: where the information is protected from disclosure by certain privileges and protections, where doing so would compromise others' privacy or other legitimate rights, where the burden or expense of providing access would be disproportionate to the risks to the individual's privacy in the case in question, or where it is commercially proprietary. If we determine that access should be restricted in any particular instance, we will endeavor to provide you with an

explanation of why that determination has been made within one month of the request, a contact point for any further inquiries, and any other legally-required information. To protect your privacy, we will take commercially reasonable steps to verify your identity before granting access or making any changes to your Personal Information.

## Retention and Deletion

Wealthfront retains the Personal Information we receive as described in this Privacy Policy for as long as you use our Site, App, or Services, or as necessary to fulfill the purpose(s) for which it was collected, to provide our Services, resolve disputes, establish legal defenses, conduct audits, pursue legitimate business purposes, enforce our agreements, or as otherwise required to comply with contracts and comply with all applicable laws.

Due to regulatory recordkeeping obligations, we may retain information related to you and your account, as well as any data related to your trades, in accordance with applicable laws. In no case will we share any individual trading data unless required by regulators or other government bodies, to support processing of settlement of your transactions, or in accordance with applicable laws.

**User Deletion Requests.** If you are a User (as defined in the Introduction of this Privacy Policy) you may request deletion of Personal Information by contacting [support@wealthfront.com](mailto:support@wealthfront.com) and providing sufficient information to identify your account and prove that you are the owner of the identified account or an authorized representative. Please note, if you utilize a third-party data deletion request company to make these requests, you must personally provide us with separate written authorization before we will process your request.

**Client Deletion Requests.** In connection with separate regulatory recordkeeping obligations imposed on Wealthfront, we generally must maintain and cannot delete Personal Information associated with our Clients.

## Other Important Information

### Security

Wealthfront takes reasonable steps, endeavoring to use appropriate technical or organizational measures, to protect your Personal Information from loss, misuse, unauthorized access, alteration, disclosure, or destruction. However, no Internet, email, or electronic operating system that enables the transmission of data is ever fully secure or error-free; therefore, we cannot ensure or warrant the security of any information you transmit to us.

### International Transfers

In certain cases, Wealthfront may transfer Personal Information internationally. We handle any Personal Information transferred internationally in accordance with this Privacy Policy and take measures to protect that information.

### Federal Privacy Laws

Please be aware that certain federal privacy laws govern the collection and record keeping of nonpublic Personal Information collected by Wealthfront, and state privacy laws may be inapplicable in certain situations related to such Personal Information.

### Notice to California Residents

To the extent not covered by the federal privacy regulations noted above, California residents may have the following rights with respect to data collected by Wealthfront.

California law permits Users and Clients who are residents of California to request and obtain from us once a year, free of charge, a list of the third-parties to whom we have disclosed their Personal Information (if any) for those third-parties' direct marketing purposes in the prior calendar year, as well as the type of Personal Information disclosed to those parties. Please note that this disclosure requirement only applies if we share Personal Information with third parties for those third parties to directly market their own products to those consumers, and Wealthfront does not share Personal Information with third parties for those third parties to directly market their own products to Users or Clients.

Under the California Consumer Privacy Act (CCPA) Users who are California residents may request and obtain from us twice a year, free of charge, information related to Personal Information we have collected in the 12 months preceding the request.

As noted above in the "Retention and Deletion" section, Users may also request the deletion of Personal Information Wealthfront has collected. Because of separate collection and record keeping requirements imposed on Wealthfront, deletion requests by those who qualify as Clients generally cannot be accommodated.

## Home Lending

Certain information in this Privacy Policy will be supplemented by the following information if you are a User or Client of Wealthfront Home Lending, LLC. If any of the terms in this section conflict with other terms of this Privacy Policy, the terms of this section will prevail.

- You will become a "Client" of Wealthfront Home Lending, LLC for purposes of this Privacy Policy and other relevant documents, including, but not limited to, the Terms of Use (Home Lending), when you begin your first application for a home loan with us.
- Information Collected. We will collect information from and about you when you provide information to Wealthfront Home Lending, LLC for a pre-approval, home loan application, to complete your loan file, and on an ongoing basis as a borrower.
- Additional Information we Collect From Clients. In addition to the information listed, Clients of Wealthfront Home Lending, LLC may also collect the following information: (i) information you provide on your application(s) or other forms; (ii) information you provide over the phone, during in-person meetings, and through online communications; (iii) your credit history; (iv) your banking, investment, and other financial statements and details; (v) your employment history; (vi) your prior transaction information such as payment histories, account balances and activity; and (vii) information received from consumer reporting agencies such as, but not limited to, credit score, credit reports, and other information related to creditworthiness.
- Information Regarding Children: While we do not typically collect information related to minors, there may be unique instances in which an emancipated minor becomes a User or Client of Wealthfront Home Lending, LLC. In these instances Wealthfront Home Lending, LLC will collect specific information from you to confirm your emancipated status. We will provide you with additional information at that time related to your rights and obligations.
- Information Sharing and Onward Transfer. We may share the information of Clients of Wealthfront Home Lending, LLC with additional third parties as necessary to complete the home loan application, credit review, underwriting, closing, post-closing, and to enable servicing of your loan. You understand and

agree that our home lending related third-party service providers may use your Personal Information, including your name, social security number, financial information, credit information, work history, address, date of birth, mobile phone number, and other information, to help us verify and/or assess your identity, creditworthiness, and home loan application.

## Changes to this Privacy Policy

We may update this Privacy Policy from time to time as we deem necessary at our sole discretion. If there are material changes to this Privacy Policy, we will notify you as required by applicable law.

Wealthfront encourages you to review this Privacy Policy periodically to be informed regarding how we are using and protecting your information and to be aware of any policy changes. Your continued relationship with Wealthfront after the posting or notice of any amended Privacy Policy shall constitute your agreement to be bound by any such changes. Any changes to this Privacy Policy will take effect immediately after being posted or otherwise provided to you by us. Each version of this Privacy Policy will be identified on this page by its effective date.

This document constitutes Wealthfront's complete Privacy Policy for Wealthfront and its affiliates and the Services, Site and App.

## Financial Privacy Notice

FACTS	WHAT DOES WEALTHFRONT CORPORATION, WEALTHFRONT ADVISERS, LLC, WEALTHFRONT BROKERAGE LLC, WEALTHFRONT HOME LENDING, LLC AND WEALTHFRONT SOFTWARE LLC DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"><li>• Social Security number (including for listed beneficiaries) and income</li><li>• Contact information and identifiers, such as name, email address, telephone number, zip code, birth date, citizenship, marital status, and self-portrait photographs</li><li>• Government-issued identification documents</li><li>• Internet protocol address</li><li>• Investable assets</li><li>• Financial planning information about your household</li><li>• Investment objectives, experience and risk tolerance</li><li>• Approximate net worth</li><li>• Tax information and other information required by federal and industry laws and regulations, such as employment information and stock restrictions</li><li>• Account balances, transaction history, and holdings from your linked outside financial institutions</li><li>• Account and routing numbers and login credentials for the financial accounts you choose to link to our services, any challenge and/or security</li></ul>

	questions associated with those linked accounts, and any information contained in those linked accounts
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Wealthfront Corporation and its wholly-owned subsidiaries, Wealthfront Advisers, LLC, Wealthfront Brokerage LLC, Wealthfront Home Lending, LLC, and Wealthfront Software LLC (collectively, "Wealthfront") choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Wealthfront share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share.
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For <b>non-affiliates</b> to market to you	No	We don't share.

To limit our sharing	<ul style="list-style-type: none"> <li>• Email us at <a href="mailto:support@wealthfront.com">support@wealthfront.com</a> or Contact us at: <a href="https://www.wealthfront.com/contact-us">https://www.wealthfront.com/contact-us</a></li> </ul> <p>Please note:</p> <p>If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>
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Questions?	<ul style="list-style-type: none"> <li>• Email us at <a href="mailto:support@wealthfront.com">support@wealthfront.com</a> or Contact us at: <a href="https://www.wealthfront.com/contact-us">https://www.wealthfront.com/contact-us</a></li> </ul>
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Who we are	
Who is providing this notice:	<p>Wealthfront</p> <ul style="list-style-type: none"> <li>• Wealthfront Corporation</li> <li>• Wealthfront Advisers, LLC</li> <li>• Wealthfront Brokerage LLC</li> <li>• Wealthfront Home Lending, LLC</li> <li>• Wealthfront Software LLC</li> </ul>
What we do	
How does Wealthfront protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We use security measures that comply with federal law to safeguard your Personal Information. These measures include data encryption, limited access to sensitive information, and contracts with third parties to ensure confidentiality.</p>
How does Wealthfront collect my <b>Personal Information</b> ?	<p>We collect your Personal Information, for example, when you</p> <ul style="list-style-type: none"> <li>• Register to open an account either as a (1) user of our free financial planning software and/or to understand or evaluate our services (“User”) or (2) client who signs one of our Client Agreements for any reason, including to open a cash account, engage in portfolio management services, or apply for a home loan (“Client”)</li> <li>• Answer questions on our website or in the application to determine what kind of portfolio we might recommend if you were to become a Client</li> <li>• Contact our client service organization with questions</li> <li>• Seek financial advice</li> <li>• Seek advice about your investments</li> <li>• Enter into an investment advisory contract</li> <li>• Answer questions on our website or in the application for the purpose of home lending approval or qualification</li> <li>• Give us your employment information</li> <li>• Give us your income information</li> <li>• Provide account information</li> <li>• Give us your contact information</li> </ul>

	<ul style="list-style-type: none"> <li>• Show your government-issued ID</li> <li>• Tell us about your investment or retirement portfolio or earnings</li> <li>• We also collect your Personal Information from others, such as credit bureaus, affiliates, or other companies.</li> </ul>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See Other Important Information below for more details.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include companies under common ownership or control with Wealthfront, as well as those that share common branding, including Wealthfront Corporation.
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. Non-affiliates we share with can include service providers, banking partners, other financial institutions, data processors, and identity verification services. Wealthfront does not share with non-affiliates so they can market to you.
Joint marketing	A formal agreement between non affiliated financial companies that together market financial products or services to you. Wealthfront does not jointly market.

Other Important Information	
For Vermont Members/Customers.	We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to

non-affiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

#### For California Residents.

We will not disclose your personal information to non-affiliated third parties, other than as permitted by California law, unless you authorize us to make those disclosures. Please review our Notice to California Residents at [www.wealthfront.com/legal/privacy](http://www.wealthfront.com/legal/privacy).

#### Identity Verification for Clients

We may use third-party vendors for identity verification. These vendors analyze whether the Client's "selfie" matches the government-issued identity document. The information collected from Client photographs may constitute biometric information in some jurisdictions. Where required by law, we will seek consent from you prior to any such collection. We require our third-party vendors who support identity verification to agree to destroy any potential biometric data that is created or gathered for purposes of verifying your identity no more than ninety (90) days after its collection.

#### Other

You may find additional information regarding Wealthfront's personal information handling practices and other rights you may be entitled to, including under the Notice to California Residents, at [www.wealthfront.com/legal/privacy](http://www.wealthfront.com/legal/privacy).

## Questions and Contacting Us

If after reviewing this Privacy Policy, you would like to submit a request to exercise your rights as detailed in this Privacy Policy or have any questions or privacy concerns, please contact us by email at [support@wealthfront.com](mailto:support@wealthfront.com) or via physical mail at:

Wealthfront Corporation  
261 Hamilton Avenue  
Palo Alto, CA 94301

Wealthfront Home Lending, LLC  
90 New Montgomery Street, Suite 1450  
San Francisco, CA 94105

## **Wealthfront Brokerage LLC Disclosures**

### **Wealthfront Brokerage LLC Business Continuity Plan Disclosure**

Wealthfront Brokerage LLC (“Wealthfront Brokerage” and formerly known as Wealthfront Brokerage Corporation) has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information about our Business Continuity Plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do at (844) 995-8437.

Our Business Continuity Plan – We plan to recover quickly and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting Wealthfront Brokerage’s books and records, and allowing our clients to transact business. In short, our business continuity plan is designed to permit Wealthfront Brokerage to resume operations as quickly as possible, to the extent possible given the scope and severity of the significant business disruption.

Our Business Continuity Plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our clients prompt access to their funds and securities if we are unable to continue our business.

Wealthfront Brokerage backs up its important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, it's our objective to restore operations and be able to complete existing transactions and accept new transactions and payments within 4-12 hours. Your trading instructions and requests for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope in that they may affect just Wealthfront Brokerage, or a single building housing Wealthfront Brokerage, or the business district where Wealthfront Brokerage is located, or the city where Wealthfront Brokerage is located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only Wealthfront Brokerage or the building housing Wealthfront Brokerage, we will transfer our operations to a local site if necessary and expect to recover and resume business within 2-3 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and plan to recover and resume business within 1-2 days. In either situation, we plan to continue in business, and notify you through our client emergency number, (650) 249-4258, which is how you will be able to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our clients prompt access to their funds and securities.

Important Disclaimers - Wealthfront Brokerage will adhere to the procedures set forth in its Business Continuity Plan and described in this disclosure to the extent commercially reasonable and practicable under prevailing circumstances. However, there are innumerable potential causes of a business disruption. In addition, disruptions (and the events that caused them) may vary significantly in nature, size, scope, severity, duration and geographic location and will result in distinct degrees of harm to human life; firm assets; the national banking system, securities exchanges, clearing houses and depositories with which Wealthfront Brokerage conducts business; and local, regional and national systems infrastructure (e.g., telecommunications, Internet connectivity, power generation and transportation) that could affect Wealthfront Brokerage's recovery in vastly disparate ways. In recognition of this, Wealthfront Brokerage reserves the right to flexibly respond to particular emergencies and business disruptions in a situation-specific manner that it deems prudent under the circumstances, in its sole discretion. Nothing in this document is intended to provide a guarantee or warranty regarding the actions or performance of its computer systems, or its personnel in the event of a significant disruption.

Wealthfront Brokerage may modify its Business Continuity Plan and this disclosure at any time. Should you wish to receive a copy of an updated disclosure by mail or by email, please contact Wealthfront Brokerage.

## **Important Information You Need to Know about Opening a New Account**

To help the government fight money laundering activities and the funding of terrorism, federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account.

This notice answers some questions about Wealthfront Brokerage's Client Identification Program.

### **What types of information will you need to provide?**

When you open an account, Wealthfront Brokerage is required to collect the following information:

- Name
- Date of Birth
- Address
- Identification Number:
  - U.S. Citizen: taxpayer identification number (Social Security number or employer identification number)
  - Non-U.S. citizen: taxpayer identification number; passport number and country of issuance; alien identification card number; or government-issued identification showing nationality, residence and a photograph of you.

You may also need to show your driver's license or other identifying documents.

A corporation, partnership, trust or other legal entity may need to provide other information, such as its principal place of business, local office, employer identification number, certified articles of incorporation, government- issued business license, a partnership agreement or a trust agreement and information regarding its direct and indirect beneficial owners.

U.S. Department of the Treasury, Securities and Exchange Commission and FINRA rules already require you to provide most of this information. These rules also may require you to provide additional information, such as your net worth, annual income, occupation, employment information, investment experience and objectives and risk tolerance.

### **What happens if you don't provide the information requested or your identity can't be verified?**

Wealthfront Brokerage may not be able to open an account or carry out transactions for you. If we have already opened an account for you, we may have to close it.

### **Notice Regarding Phishing Scams**

Due to the increasing risk of identity theft, Wealthfront Brokerage is providing you with this notice regarding phishing scams. Phishing is a fraudulent activity in which one attempts to obtain sensitive information by masquerading as a trustworthy institution. These attempts are typically carried out by an email containing a link to what appears to be an authentic website. These counterfeit sites prompt you to enter your personal information, which the thieves can then use to access your accounts. Note that Wealthfront Brokerage will NEVER send an email requesting sensitive information such as your password. If you receive a suspicious email request purporting to be from Wealthfront Brokerage, DO NOT RESPOND and notify us immediately by calling (844) 995-8437.

### **Payment for Trading Instruction Flow**

Wealthfront Brokerage routes your trades to two broker/dealers for trade execution. These broker/dealers may make markets in the securities that are traded. Wealthfront Brokerage does not receive any compensation for routing orders to such broker/dealers. Wealthfront Brokerage regularly reviews trade routing decisions to ensure your orders meet best execution standards.

# **IRA Automated Investing Account Customer Brokerage and Custody Agreement**

*Updated: June 2025*

By entering into the IRA Automated Investing Account Advisory Client Agreement (the “Account Agreement”) with Wealthfront Advisers LLC (“Wealthfront Advisers,”) you (“Client”) agree to enter into this Customer Brokerage and Custody Agreement (this “Brokerage Agreement”) with Wealthfront Brokerage LLC (“Wealthfront Brokerage”).

## **1. Definitions**

*Account or Accounts* means Cash Account(s) and Wealthfront Account(s) collectively.

*Basic Brokerage Services* means the following services provided by Wealthfront Brokerage pursuant to this Brokerage Agreement: (i) the routing of purchase and sale trading instructions to the Clearing Broker; (ii) omnibus custody of funds and Securities held by the Clearing Broker in an Omnibus Account pursuant to the Clearing Agreement; and (iii) the maintenance of your Account by Wealthfront Brokerage, which includes accounting, valuation, recordkeeping, and reporting for activity in your Account.

*Business Day* means a day when the New York Stock Exchange opens for trading during all or part of a day.

*Cash Account* means such accounts that Wealthfront Brokerage establishes and carries for you to hold your funds and record your transactions pursuant to your discretion and instructions.

*Clearing Agreement* means the Omnibus Clearing Agreement between Wealthfront Brokerage and the Clearing Broker.

*Clearing Broker* means a broker, if any, that Wealthfront Brokerage engages to provide clearance or settlement services for purchase and sale transactions or to hold Securities in Wealthfront Brokerage’s name. If Wealthfront Brokerage engages more than one Clearing Broker, *Clearing Broker* means the broker that provides the applicable services referenced in the context in which the term is used.

*Custodial Agreements* means the agreements entered into with Forge Trust Co. (“Forge”) for the administration of the IRA Account, pursuant to which Forge provides administration and custodian services to the IRA Account. As the case may be, the Custodial Agreement refers to the Traditional IRA Custodial Account Agreement, together with the Combined Traditional and Roth IRA Combined Disclosure Statement and IRA Account Acceptance (collectively, the “Traditional Agreement”) or a Roth IRA Custodial Account Agreement, together with the Combined Traditional and Roth IRA Combined Disclosure Statement and IRA Account Acceptance.f

*Designated Sweep Vehicle* means the RBC U.S. Government Money Market Fund and/or such other U.S. Government money market fund that Wealthfront Brokerage selects (the “Money Market Fund Sweep Option”), or an account at a bank where deposits are eligible for pass-through insurance by the Federal Deposit Insurance Corporation (“FDIC”) (the “Participating Bank Sweep Option”).

*Indemnified Persons* means affiliates, officers, directors, managers, members, employees, representatives, successors, assigns, and authorized agents of either Wealthfront Advisers or Wealthfront Brokerage.

*IRA Account* means an Individual Retirement Account that is administered by Forge, or such other administrator or custodian as Wealthfront Advisers shall designate from time to time. Forge shall serve as administrator and custodian of such IRA Account.

*Joint Account* means a joint Account established by Client and one other person.

*Joint Account Holder* means Client and another person with whom Client establishes a Joint Account (collectively referred to herein as *Joint Account Holders*).

*Omnibus Account* means an account carried and cleared by Clearing Broker that contains accounts of undisclosed customers on a commingled basis and that are carried individually on the books of Wealthfront Brokerage.

*Optional Brokerage Services* means (i) margin lending, or (ii) other optional brokerage services that may be made available to you from time to time by Wealthfront Brokerage, each of which service shall be governed by a separate written agreement.

*Participating Banks* means FDIC insured banks that participate in Wealthfront Brokerage’s Cash Sweep Program.

*Plan* means the investment plan recommended by Wealthfront Advisers to you, including any of Wealthfront Advisers’ suite of investment options designated by you.

*Security* has the meaning set forth in Section 202(a)(18) of the Investment Advisers Act of 1940, as amended, including primarily without limitation stocks, exchange traded funds (ETFs), mutual funds, and/or similarly traded instruments.

*Wealthfront Account* means all accounts, except Cash Accounts, that Wealthfront Brokerage establishes and carries for you to hold your securities and money and record your transactions pursuant to the Plan in connection with the IRA Account, and in accordance with Wealthfront Advisers' discretionary authority and instructions.

## **2. Agency, Custody, and Trading**

You appoint Wealthfront Brokerage as your agent to hold your Account(s) and carry out instructions, including instructions for purchases and sales of Securities by you (with respect to Cash Accounts) or by Wealthfront Advisers (with respect to Wealthfront Accounts) and to act and rely on other instructions that you or Wealthfront Advisers transmits or provides on your behalf. You assume all investment risk with respect to your Account(s). All transactions in your Wealthfront Account will be executed only on the trading instruction of Wealthfront Advisers, acting as your authorized representative pursuant to the Account Agreement, except as provided by this Brokerage Agreement or otherwise agreed to by you. You authorize Wealthfront Brokerage, as your agent, to establish relationships with the Clearing Broker, and to appoint and use other sub-agents. You authorize Wealthfront Brokerage and its sub-agents to take reasonable steps in connection with your Account(s) and its rights and obligations under this Brokerage Agreement, including: opening, closing, and holding the Account(s) in your name; making and retaining customer, account, and transaction records; holding securities in bearer, registered, or book entry form; and placing, transmitting, and withdrawing trading instructions for transactions, including the trading instructions authorized by you in the Account Agreement and placed by you or Wealthfront Advisers on your behalf; effecting purchases and sales of Securities and other transactions, including without limitation transactions in securities or bank accounts maintained in Wealthfront Brokerage's name for the benefit of Wealthfront Brokerage's customers and reconciling such transactions with transactions in your Account(s); holding securities and money attributable to your Account(s) in securities or bank accounts maintained in Wealthfront Brokerage's name for the benefit of Wealthfront Brokerage's customers and thus commingling such securities and money with that of other customers in the Wealthfront Program. You agree that Wealthfront Brokerage may, in its sole discretion and without prior notice to you, refuse or restrict trading instructions placed by you or by Wealthfront Advisers on your behalf.

You authorize Wealthfront Brokerage to accept from Wealthfront Advisers trading instructions assembled by Wealthfront Advisers that combine purchases and sales of Securities in your Wealthfront Account with purchases and sales of the same Securities for accounts of other clients.

You agree that (i) Wealthfront Brokerage will route trade instructions to executing brokers for execution; (ii) Wealthfront Brokerage will clear and settle transactions in your Account(s); (iii) Wealthfront Brokerage does not act as the executing broker's or the Clearing Broker's agent; and (iv) unless Wealthfront Brokerage receives a written notice from you to the contrary, the Clearing Broker may accept from Wealthfront Brokerage any instructions relating to your Account(s), without inquiry or investigation, including trading instructions placed by Wealthfront Advisers with respect to your Wealthfront Account on your behalf for purchases or sales of Securities. You acknowledge and agree that Wealthfront Brokerage will not route trading instructions to markets for execution other than through executing brokers selected by Wealthfront Brokerage or obtain clearance and settlement services for your transactions related to your Account(s) other than from the Clearing Broker.

You also acknowledge and agree that (i) the cash balances in your Account(s), including in your Cash Account(s), are intended for investing in Securities at such appropriate time as determined by Wealthfront Advisers with respect to the Wealthfront Account(s) and by you with respect to the Cash Account(s); (ii) when you initiate a transfer from your Wealthfront Account to your Cash Account, it may take up to five (5) Business Days for your funds to reach the Participating Banks - FDIC insurance is not provided and your funds will not earn interest until your funds arrive at the Participating Banks; and (iii) when you initiate a transfer from your Cash Account to your Wealthfront Account, it may take up to three (3) Business Days for your funds to reach your Wealthfront Account to be invested in Securities, and your funds will not be covered by FDIC insurance nor will it earn interest once it leaves the Participating Banks.

## **3. Association with Any Broker-Dealer**

You certify that you are not employed by or registered with a broker-dealer or other employer whose consent is required to open and maintain your Account unless you have provided the consent to us. If you are employed by such an entity, please email [compliance@wealthfront.com](mailto:compliance@wealthfront.com) to provide consent and pertinent information. You agree that Wealthfront Brokerage will provide to your employer duplicate electronic statements and/or trade confirmations for your Account, according to the requirements of your firm, as provided by industry regulations, if you are employed by or registered with a broker-dealer or other firm with outside account oversight requirements for access or other persons. This information is typically delivered to your employer through a third party service provider selected or authorized by your employer, and you acknowledge and agree that any such service provider may access and process your statements, confirmations and related personal and Account information in the jurisdictions in which it operates.

## **4. Wealthfront Account Activity Limitations**

### **4.1 Limitations on Transaction Types**

You acknowledge that your Wealthfront Account is a special type of brokerage account because it is to be used only in connection with Wealthfront Advisers. You further acknowledge that many types of typical brokerage products, services, and transactions are not available in your Wealthfront Account. The types of products, services, and transactions that will, subject to the terms and conditions of the Account Agreement and this Brokerage Agreement, generally *not* be available in your Wealthfront Account and

that you shall have no right to request or obtain from Wealthfront Brokerage include without limitation: (i) purchases or sales of Securities other than in connection with the Plan; (ii) transactions in corporate bonds, private fund interests, limited partnership interests, or any securities other than the Securities included in the Plan; (iii) short sales; (iv) transactions in currency or foreign exchange; and (v) forwards, swaps, security-based swaps, security futures, warrants, options, structured products, or other derivatives.

#### **4.2 No Investment Advice or Recommendation by Wealthfront Brokerage**

You acknowledge that Wealthfront Advisers provides and is solely responsible for all investment advice and investment advisory services given in connection with the Plan. You agree that, notwithstanding anything to the contrary in either the Account Agreement or this Brokerage Agreement, Wealthfront Brokerage does not provide and is not responsible for any such advice or services in connection with the Plan and does not recommend securities or transactions in connection with the Plan or otherwise.

#### **4.3 No Voting of Securities**

You agree that voting of Securities in your Wealthfront Account is the responsibility of Wealthfront Advisers. Wealthfront Brokerage agrees that it shall have no right under the Plan to vote, and shall not vote, any Securities in your Wealthfront Account.

#### **4.4 No Partial ACATS**

You acknowledge that Wealthfront Brokerage cannot approve partial, in-kind Automated Customer Account Transfer Service (ACATS) transfers from your Wealthfront Account to another broker. You agree that ACATS transfers from your Wealthfront Account to another broker must be full transfers.

#### **4.5 No Risk Parity Fund ACATS**

You acknowledge that Wealthfront Brokerage cannot execute in-kind, ACATS transfers of your holdings in the Wealthfront Risk Parity Fund (WFRPX). You further acknowledge that if you request an ACATS transfer of your Wealthfront Account to another broker, Wealthfront Brokerage will liquidate your WFRPX positions in your Wealthfront Account and deliver the proceeds to the broker. You agree that you are responsible for tax consequences that result from the liquidation of WFRPX.

### **5. Statements and Confirmations**

By entering into this Agreement, Client hereby agrees that in lieu of receiving transaction-by-transaction confirmations for each transaction effected on behalf of Client in the Account(s), Client will receive periodic reports regarding transactions on at least a quarterly basis. Such reports may be included as part of Client's Account statement. Client acknowledges and agrees that Wealthfront Brokerage will provide Wealthfront Advisers, as Client's fiduciary, transaction-by-transaction confirmations for each such securities transaction. Wealthfront Brokerage may also make such transaction-by-transaction confirmations for securities transactions available for Client to review at [www.wealthfront.com](http://www.wealthfront.com) (the "Site") and the Wealthfront Mobile Application (the "App"). Client further acknowledges that all information that is required to be contained in a confirmation under applicable law will be included in the periodic statement for the Account(s). Client agrees that Wealthfront Brokerage is not obligated to provide any trade status report other than the confirmation to Wealthfront Advisers. Wealthfront Brokerage may provide electronic or other trade status reports as a courtesy only, but Wealthfront Brokerage does not guarantee the accuracy or timeliness of such alternate or interim trade status reports and will not be liable for any losses, costs or expenses arising out of or relating to delayed issuance or failure to issue an electronic or other trade status report, or from errors in such reports that are corrected by Wealthfront Brokerage in confirmations shortly thereafter. It is Client's responsibility to review all Account statements promptly on receipt.

You further agree that you are responsible for reviewing all statements and confirmations for your Account(s). Statements and confirmations shall be considered accurate unless you notify Wealthfront Advisers or Wealthfront Brokerage in writing that the information is inaccurate no later than ten Business Days after receipt of the applicable statement or confirmation. Wealthfront Advisers and Wealthfront Brokerage are entitled to treat the information contained in Client Account statement(s) as accurate and conclusive unless Client objects within ten Business Days of receipt. Notifications and other inquiries concerning the balance and positions in your Account(s) should be directed to [support@wealthfront.com](mailto:support@wealthfront.com).

### **6. Indebtedness, Cancellation, Payment on Demand**

#### **6.1 Indebtedness**

Whenever Wealthfront Brokerage, in its sole discretion, considers it necessary for Wealthfront Brokerage's protection, or for the protection of Wealthfront Advisers or in the event of, but not limited to; (i) any breach by you of this Agreement or any other agreement with Wealthfront Brokerage or (ii) your failure to pay for securities and other property purchased or (iii) to deliver Securities and other property sold or (iv) to pay taxes due or (v) insufficient funds in your Accounts for any reason, Wealthfront Brokerage may sell any or all Securities and other property held in any of your Accounts (either individually or jointly with others), cancel or complete any open trading instructions for the purchase or sale of any Securities and other property, and/or borrow or buy-in any Securities and other property required to make delivery against any sale effected for you, all without notice or demand

for deposit of collateral, other notice of sale or purchase, or other notice or advertisement, each of which is expressly waived by you. Wealthfront Brokerage may require you to deposit cash or adequate collateral to your Account prior to any settlement date in trading instruction to assure the performance or payment of any open contractual commitments and/or unsettled transactions. Wealthfront Brokerage has the right to refuse to execute securities transactions for you at any time and for any reason. The Securities, monies and/or other property Wealthfront Brokerage holds for you or in which you may have an interest held by Wealthfront Brokerage or carried in any of your Accounts (either individually or jointly with others) shall be subject to a lien, a continuing and perfected security interest, and a right of set-off for the discharge of any and all indebtedness or any other obligation you (either individually or jointly with others) may have to Wealthfront Advisers or Wealthfront Brokerage, wherever or however arising and without regard to whether or not Wealthfront Brokerage has made advances with respect to such Securities and other property, and are to be held by Wealthfront Brokerage as security for the payment of any liability or indebtedness in your Account(s) to Wealthfront Brokerage, Wealthfront Advisers, or any of its affiliates. In connection with enforcing Wealthfront Brokerage's lien, perfected security interest or right of set-off, Wealthfront Brokerage may, at any time and without giving you prior notice, use, transfer, purchase, sell or otherwise liquidate any or all of your Securities, monies and/or other property in any of your Accounts and/or to transfer any such Securities and other property among any of your Accounts to the fullest extent of the law and without notice where allowed, to satisfy a debt or any other obligation you may have to Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates. As part of Wealthfront Brokerage's right of enforcement under this Section, Wealthfront Brokerage shall have the sole discretion to determine which Securities are to be liquidated or what monies or other property may be transferred between your Accounts without regard to any tax or other consequences you may face as a result of such liquidation. If you breach either the Account Agreement or this Brokerage Agreement, Wealthfront Brokerage maintains all of the rights and remedies provided in this Brokerage Agreement. You agree to indemnify and hold Wealthfront Brokerage, Wealthfront Advisers, their affiliates and the Indemnified Persons harmless from and against any losses, costs or expenses incurred or payable in connection with (i) Wealthfront Brokerage's remedies under this Section, including without limitation reasonable costs of collection, including without limitation attorneys' fees and expenses, or (ii) defense of any matter arising out of your Securities transactions. The Wealthfront Brokerage shall, without limiting its other rights under this Section, have the right to offset amounts you owe Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates against any amounts Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates owes you. You will remain liable for the deficiency. You will pay the reasonable costs and expenses of any debit balance and any unpaid deficiency in any of your Accounts, including without limitation attorney fees and costs incurred by Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates.

## **6.2 Cancellation**

Wealthfront Brokerage is authorized at Wealthfront Brokerage's sole discretion and without notice to you to cancel any outstanding trading instruction, to close out your Accounts, in whole or in part, or to close out any commitment made on behalf of you.

## **6.3 Account Restrictions**

Wealthfront Brokerage is authorized at Wealthfront Brokerage's sole discretion and without notice to you to restrict trading of Securities in one or more of your Accounts, or to limit the trading to certain Securities in one or more of your Accounts.

## **6.4 Payment of Indebtedness on Demand**

You shall at all times be liable for the payment upon demand of any obligations owing from you to Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates, and you shall be liable to Wealthfront Brokerage for any deficiency remaining in any such Accounts in the event of the liquidation thereof (as contemplated in Section 6.1 of this Brokerage Agreement or otherwise), in whole or in part, by Wealthfront Brokerage or by you; and you shall make payment of such obligations upon demand.

# **7. Fees**

## **7.1 Purchases, Sales, and Custody**

Wealthfront Brokerage agrees that you shall not be obligated to pay any fee for the Basic Brokerage Services other than Wealthfront Advisers' advisory fee under the Account Agreement with respect to your Wealthfront Accounts. You acknowledge that Wealthfront Advisers may cause payment to be made to Wealthfront Brokerage out of the proceeds of the advisory fee pursuant to an affiliate agreement. You acknowledge that Wealthfront Brokerage may use a portion of the payments it receives from Wealthfront Advisers to compensate the Clearing Broker for execution, clearance, and settlement services for purchase and sales of Securities in your Accounts.

## **7.2 Additional Fees for Irregular Services and Optional Brokerage Services**

Wealthfront Brokerage reserves the right to charge reasonable fees for some in-kind withdrawals, preparation and delivery of paper confirmations or statements, rejected payments, and, if approved by Wealthfront Advisers (with respect to Wealthfront Accounts) in its sole discretion in accordance with the Account Agreement, wire transfers. Wealthfront Brokerage reserves the right to waive or reduce, in its sole discretion, any fees for irregular services described in this Section 7.2. Except as set forth in the last paragraph in this Section 7.2, you agree that Wealthfront Brokerage may charge reasonable and customary fees for services that are not Basic

Brokerage Services, that are not expressly referenced in the Account Agreement, and that Wealthfront Brokerage agrees in its sole discretion to perform on a case-by-case basis. Fees for Optional Brokerage Services shall be as set forth in the separate written agreements pertaining to such services.

If Wealthfront Brokerage liquidates the assets in your Wealthfront Account and is restricted from sending such assets to an outside depository by Wealthfront's security, compliance, fraud prevention or risk management policies, or for other operational reasons, Wealthfront will charge a "Custody Fee" on such assets. The Custody Fee will be an annualized fee of up to 1.0% of Client assets held at Wealthfront Brokerage. The Custody Fee will accrue on a daily basis and be deducted monthly.

You acknowledge that, under certain situations including, but not limited to, instances of fraud, court orders, regulatory mandates, or other compliance-related reasons, Wealthfront Brokerage may need additional information from you in order for Wealthfront Advisors to continue providing advisory services to your Account. If, for a period of 90 days or more, you fail to provide such requested information, you acknowledge that Wealthfront Advisers may no longer be able to provide advisory service to your Account and reserves the right to cease providing such advisory services. In such cases, even if Wealthfront Advisors is no longer providing advisory services, Wealthfront Brokerage reserves the right to charge a Custody Fee on any such assets held at, or on behalf of, Wealthfront Brokerage.

### **7.3 Fee Deduction**

You authorize Wealthfront Brokerage to deduct Wealthfront Advisers' advisory fee you owe under the Account Agreement from your Wealthfront Account in accordance with instructions from Wealthfront Advisers. You authorize Wealthfront Brokerage to pay all or part of such advisory fee to Wealthfront Advisers and/or to share all or part of such advisory fee with affiliates in accordance with the applicable intercompany agreements. You authorize Wealthfront Brokerage to deduct any additional fees you owe Wealthfront Brokerage or Wealthfront Advisers under any provision of either of the Account Agreement or this Brokerage Agreement with respect to your Wealthfront Accounts. You authorize Wealthfront Brokerage to initiate sales to liquidate Securities in amounts sufficient to pay any fees you owe with respect to the Wealthfront Accounts under any provision of either of the Account Agreement or this Brokerage Agreement.

If Wealthfront Brokerage liquidates the assets in your Wealthfront Account and is restricted from sending such assets to an outside depository by Wealthfront's security, compliance, fraud prevention or risk management policies, or for other operational reasons, Wealthfront may charge a "Custody Fee" on such assets. The Custody Fee will be an annualized fee of up to 1.0% of Client assets held at Wealthfront Brokerage. The Custody Fee will accrue on a daily basis and be deducted monthly.

## **8. Customer Support**

You acknowledge that you may obtain information, ask questions, and receive support regarding your Accounts and its transactions and holdings by contacting Wealthfront Brokerage at [support@wealthfront.com](mailto:support@wealthfront.com) or during the hours of 7:00 am to 5:00 pm Pacific Time at (844) 995-8437.

## **9. Privacy**

You acknowledge that you have received a copy of the Privacy Policy. You consent to Wealthfront Brokerage recording your telephone calls and your electronic communications with Wealthfront Brokerage's representatives and associated persons without further notice.

## **10. Account Security**

You acknowledge that in order to open and maintain an Account at Wealthfront Brokerage, you must have a verifiable, United States-based cell phone number that is capable of accepting SMS text messages for purposes of security verification as well as multi-factor authentication.

## **11. Securities Investor Protection Corporation**

Wealthfront Brokerage is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC protects client accounts against the loss of securities in the event of the member's insolvency and liquidation of a broker-dealer by replacing missing securities and cash up to a maximum of \$500,000 per client, including a \$250,000 limit for claims for cash, to the extent allowed by the Securities Investor Protection Act of 1970. SIPC does not protect you against losses from changes in the market values of your investments. For more information on SIPC coverage, please contact SIPC at [www.sipc.org](http://www.sipc.org) or (202) 371-8300.

## **12. Funds Transfers**

### **12.1 Your Liability for Unauthorized Transfers**

You acknowledge that you could lose the entire value of your Accounts through any unauthorized electronic funds transfer, including an unauthorized withdrawal. If you suspect any unauthorized electronic funds transfer, you must notify Wealthfront Advisers (with respect to Wealthfront Accounts) or Wealthfront Brokerage (for all Accounts) within two Business Days after you learn of the unauthorized transfer. If you do not notify Wealthfront Advisers or Wealthfront Brokerage within two Business Days after you learn of an unauthorized electronic funds transfer, and Wealthfront Brokerage can prove that it could have stopped someone from making the unauthorized transfer if you had notified it, then you can lose the lesser of (i) \$50 or (ii) the amount of the unauthorized transfers that occur within the two Business Days plus the amount of the unauthorized transfers that occur after the two Business Days and before you notified Wealthfront Advisers or Wealthfront Brokerage, provided that Wealthfront Brokerage can establish that these unauthorized transfers would not have occurred had you notified Wealthfront Advisers or Wealthfront Brokerage within the two Business Days. If you do not notify Wealthfront Advisers or Wealthfront Brokerage within 60 days after Wealthfront Brokerage sends you the applicable statement showing an unauthorized electronic funds transfer, you may not get back any money you lost after the 60 days if Wealthfront Brokerage can show that it could have stopped the unauthorized transfer had you notified it in time. Wealthfront Brokerage will extend the notification periods for unauthorized transfers in this Section if there are extenuating circumstances such as extended travel or a hospital stay.

### **12.2 Same Day and Instant Transfers.**

In connection with your Cash Account, Wealthfront Brokerage, in conjunction with Wealthfront Advisers, may, in its sole discretion, offer same-day and/or instant transfers via Real Time Payments (“RTP Transfer(s)”). RTP Transfers allows you to make certain same-day and instant transfers between your eligible accounts. The purpose of RTP Transfers is to allow for the swift transfer of funds between your external bank accounts and from your Cash Account. You acknowledge and agree that, subject to clause (iii) below, Wealthfront Brokerage, in conjunction with Wealthfront Advisers, is only responsible for making a good faith effort to process your RTP Transfer requests and that there is no guarantee that your RTP Transfer will be processed by a certain time. Client further acknowledges and agrees that none of Wealthfront Brokerage, Wealthfront Advisers or their affiliates shall be held responsible for any losses, expenses, damages, liabilities or other outcomes claims arising out of any delay or failure to process Client’s RTP Transfer request, or delay in making the funds available to your external accounts due to circumstances beyond the control of Wealthfront Brokerage and/or Wealthfront Advisers or any intermediary or beneficiary bank handling the transfer, including, without limitation, any inaccuracy, interruption, delay in transmission, or failure in the means of transmission of Client’s RTP Transfer request to the intermediary or beneficiary bank or execution of such request by the intermediary or beneficiary bank, whether caused by strikes, power failures, equipment malfunctions, or delays caused by one or more institution’s fraud screening procedures or compliance procedures for anti-money laundering, economic sanctions or similar laws. Client further agrees that Wealthfront Brokerage may refuse to process or delay processing any RTP Transfer request if it would violate any guideline, rule, policy or regulation of any government authority or funds transfer system.

- i. Real-Time Payments (“RTP”) Eligibility. The RTP system is designed to effectuate transfers solely between eligible and participating financial institutions. A complete list of RTP participating financial institutions can be found at <https://www.theclearinghouse.org/payment-systems/rtp/rtp-participating-financial-institutions>. You acknowledge and agree that Wealthfront Brokerage, in conjunction with Wealthfront Advisers, will be unable to process any transfers using RTP when such transfers include a counterparty that is not an RTP participating financial institution.
- ii. Wells Fargo Bank N.A. and Customer Opt-Out. Currently, the ability for Wealthfront Brokerage, in conjunction with Wealthfront Advisers, to effectuate certain RTP Transfers requires that such requests be processed by Wells Fargo Bank N.A. (“Wells Fargo”). You acknowledge and agree that if you choose to opt out of Wells Fargo’s inclusion as a Participating Bank in the Participating Bank List (as defined below) assigned to your Cash Account, then Wealthfront Brokerage, in conjunction with Wealthfront Advisers, will be unable to process certain RTP Transfers.
- iii. No Guarantees. You understand and agree that none of Wealthfront Brokerage, Wealthfront Advisers, their affiliates or any other persons make any guarantees regarding the availability of RTP Transfer during any particular period of time or for any particular transfer. You understand that some elements necessary to complete a RTP Transfer are not within the control of Wealthfront Brokerage, Wealthfront Advisers or their affiliates and that we are not responsible for the operation of those elements. You further understand and agree that Wealthfront Brokerage, in conjunction with Wealthfront Advisers, may delay or reject any requested RTP Transfer for no reason or any reason, including, but not limited to, requests that exceed daily transaction limits, customer transaction ineligibility, program account capacity, insufficient funds, failed risk and fraud checks, software malfunctions, or legal or regulatory reasons. It is important that you recognize and accept that Wealthfront Brokerage, in conjunction with Wealthfront Advisers, may terminate the ability to use RTP and/or process RTP Transfer at any time in its sole discretion without prior notice to you. You agree that none of Wealthfront Brokerage, Wealthfront Advisers or any of their affiliates will have any liability to you or any other person for any loss, damage or other harm caused by or arising out of any such delay or refusal to process a RTP Transfer.
- iv. Notice of Withdrawal. You understand that neither Wealthfront Brokerage or Wealthfront Advisers is required to give you separate notice of an RTP Transfer. Although we may send notice of such a transfer, we assume no obligation to do

so.

v. Funds Availability and Your Ability to Withdraw Funds. Wealthfront Brokerage reserves the right to delay the availability of funds from any deposits into your Account. During the delay, you acknowledge and understand that you may not be able to withdraw the funds.

v. Responsibility. By agreeing to these terms, you agree to the fullest extent permitted by applicable law to indemnify, and hold us harmless from all claims, suits, actions, judgments, liabilities, losses, damages, proceedings, fines, costs and expenses, (including attorney fees) in connection with or arising from our good faith attempt to process any RTP Transfer according to Client's transfer instructions.

### **12.3 Phone Number and Email Address for Unauthorized Transfer Notification**

If you believe that an unauthorized transfer has occurred in any of your Accounts, please call Wealthfront Brokerage immediately at (844) 995-8437 or email [support@wealthfront.com](mailto:support@wealthfront.com).

### **12.4 Error Resolution**

In case of errors or questions about your electronic transfers or if you think your statement or receipt is wrong, please call at (844) 995-8437 or email Wealthfront Brokerage at [support@wealthfront.com](mailto:support@wealthfront.com) as soon as you can. Wealthfront Brokerage will tell you the results within three Business Days after completing an investigation. If Wealthfront Brokerage decides that there was no error, it will send you a written explanation. You may ask for copies of the documents that Wealthfront Brokerage used in its investigation.

### **12.5 Restrictions on Deposits into Accounts**

Notwithstanding anything to the contrary in this Agreement, for purposes of account security, regulatory compliance and risk-management, funds transferred into your Account(s) may be held by Wealthfront Brokerage for up to sixty (60) days upon such transfer of funds into your Account(s). Such transferred funds may be held for a longer period if compliance with federal regulations or risk-management procedures would require us to do so. Except in cases of fraud or for funds that are returned to the originating bank as a result of insufficient funds, your transferred funds in the Cash Account will be entitled to earn interest during such hold period when they arrive at the Participating Banks and the funds in your Wealthfront Account will be invested in accordance with your risk profile.

### **12.6 Transfers to External Accounts**

Notwithstanding anything to the contrary in this Agreement, there may be circumstances in which Wealthfront Brokerage may require a withdrawal or other disbursement to be routed to an external bank account that you have previously used to transfer funds into your Account, even where you may have instructed Wealthfront to send such a withdrawal or disbursement to a different external account, for reasons relating to account security, regulatory compliance, risk management, or other similar considerations. This may arise where, for example, Wealthfront Brokerage is unable to verify that an external account you have designated to receive funds belongs to you or is under your control; where Wealthfront Brokerage is unable to validate your entitlement to funds held in your Account; where Wealthfront may be obligated to process a withdrawal or disbursement from your Account but receives instructions for processing that withdrawal or disbursement that we are unable to follow or process; or where other considerations of the general types contemplated above dictate. In any such case, Wealthfront Brokerage reserves the right to distribute funds from your Account to the external account from which the funds in question originated, or to another external account you have previously used to fund your Account, notwithstanding any conflicting instructions you may provide; and you hereby authorize Wealthfront Brokerage to take such action in its sole discretion.

### **12.7 Authorization to Debit Accounts**

By signing this Agreement, you hereby authorize Wealthfront Brokerage and Forge to complete transfers and debit your linked depository accounts and Cash Account in accordance with the transfer instructions you provide Wealthfront Brokerage on the Site or the App. Further, you hereby acknowledge that you are solely permitted to debit linked depository accounts and Cash Accounts held in your name.

## **13. Abandoned Accounts**

The Wealthfront Brokerage shall have the right to report, escheat, and deliver assets in your Accounts to the state of your address of record if Wealthfront Brokerage determines that an account has been abandoned in accordance with applicable state law.

## **14. Duty**

Wealthfront Brokerage acts in a brokerage capacity in relation to the Plan and your Account(s) and is not in a fiduciary relationship with you. A brokerage relationship is not held to the same legal standard as an investment advisory relationship.

## **15. Assignment**

The Wealthfront Brokerage may assign its rights and obligations under this Brokerage Agreement to any subsidiary or affiliate without notice to you or to any other entity with written notice to you. Any rights that Wealthfront Brokerage or the Clearing Broker has under this Brokerage Agreement may be assigned to the other, including the right to collect any debit balance or other obligations owing in your Account(s).

## **16. Dispute Resolution**

**THIS AGREEMENT CONTAINS A PREDISPUTE ARBITRATION CLAUSE. BY SIGNING AN ARBITRATION, AGREEMENT THE PARTIES AGREE AS FOLLOWS:**

**16.1 ALL PARTIES TO THIS AGREEMENT ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY EXCEPT (i) AS PROVIDED BY THE RULES OF THE ARBITRATION FORUM IN WHICH A CLAIM IS FILED; AND (ii) NOTHING IN THIS AGREEMENT SHALL LIMIT YOUR RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION LAWSUIT IN A U.S. COURT TO THE EXTENT SUCH RIGHT MAY NOT BE WAIVED UNDER ANY APPLICABLE FINRA RULES.**

**16.2 ARBITRATION AWARDS ARE GENERALLY FINAL AND BINDING; A PARTY'S ABILITY TO HAVE A COURT REVERSE OR MODIFY AN ARBITRATION AWARD IS VERY LIMITED;**

**16.3 THE ABILITY OF THE PARTIES TO OBTAIN DOCUMENTS, WITNESS STATEMENTS AND OTHER DISCOVERY IS GENERALLY MORE LIMITED IN ARBITRATION THAN IN COURT PROCEEDINGS;**

**16.4 THE ARBITRATORS DO NOT HAVE TO EXPLAIN THE REASON(S) FOR THEIR AWARD UNLESS, IN AN ELIGIBLE CASE, A JOINT REQUEST FOR AN EXPLAINED DECISION HAS BEEN SUBMITTED BY ALL PARTIES TO THE PANEL AT LEAST 20 DAYS PRIOR TO THE FIRST SCHEDULED HEARING DATE.**

**16.5 THE PANEL OF ARBITRATORS MAY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**

**16.6 THE RULES OF SOME ARBITRATION FORUMS MAY IMPOSE TIME LIMITS FOR BRINGING A CLAIM IN ARBITRATION. IN SOME CASES, A CLAIM THAT IS INELIGIBLE FOR ARBITRATION MAY BE BROUGHT IN COURT.**

**16.7 THE RULES OF THE ARBITRATION FORUM IN WHICH THE CLAIM IS FILED, AND ANY AMENDMENTS THERETO, SHALL BE INCORPORATED INTO THIS AGREEMENT.**

THE FOLLOWING ARBITRATION AGREEMENT SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURES ABOVE. WITHOUT LIMITING SECTION 21 OF THE ACCOUNT AGREEMENT, ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN YOU AND WEALTHFRONT BROKERAGE, OR THE AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, MEMBERS, MANAGERS, OFFICERS OR CONTROL PERSONS OF WEALTHFRONT BROKERAGE (EXCLUDING WEALTHFRONT) ARISING OUT OF (i) ANY PROVISIONS OF OR THE VALIDITY OF THIS BROKERAGE AGREEMENT, OR (ii) ANY CONTROVERSY ARISING OUT OF WEALTHFRONT BROKERAGE'S BUSINESS OR WEALTHFRONT BROKERAGE'S CONDUCT WITH RESPECT TO THE ACCOUNTS SHALL BE SUBMITTED TO BINDING ARBITRATION BEFORE THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). SUCH ARBITRATION SHALL BE CONDUCTED PURSUANT TO THE APPLICABLE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"), WHICH CAN BE FOUND HERE (<https://www.finra.org/rules-guidance/rulebooks/finra-rules/1200>). ARBITRATION MUST BE COMMENCED BY SERVICE OF A WRITTEN DEMAND FOR ARBITRATION OR A WRITTEN NOTICE OF INTENTION TO ARBITRATE. THE DECISION AND AWARD OF THE ARBITRATOR(S) SHALL BE CONCLUSIVE AND BINDING UPON ALL PARTIES, AND ANY JUDGMENT UPON ANY AWARD RENDERED MAY BE ENTERED IN A COURT HAVING JURISDICTION THEREOF, AND NEITHER PARTY SHALL OPPOSE SUCH ENTRY.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is de-certified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

## **17. Representations**

You hereby represent and warrant to Wealthfront Brokerage and agree with Wealthfront Brokerage as follows:

### **17.1 Exchange or Broker Employee**

Unless you have provided to us the consent referred to in Section 2 above, you are not an employee of any exchange, or of any corporation of which any exchange owns a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation registered on any exchange or of a bank, trust company, insurance company or of any corporation, firm or individual engaged in the business dealing either as broker or as principal in securities, bills of exchange, acceptances or other forms of commercial paper.

### **17.2 Compliance with Law**

You shall comply with all applicable laws, rules and regulations in connection with your Account.

### **17.3 Authority**

- i. You have the requisite legal capacity, authority and power to execute, deliver and perform your obligations under this Brokerage Agreement. This Brokerage Agreement has been duly authorized, executed and delivered by you and is your legal, valid and binding agreement, enforceable against you in accordance with its terms. Your execution of this Brokerage Agreement and the performance of your obligations hereunder do not conflict with or violate any obligations by which you are bound, whether arising by contract, operation of law or otherwise. If you are an entity, the individual trustee, agent, representative or nominee (the “Client Representative”) executing this Brokerage Agreement on your behalf has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Brokerage Agreement as applicable. Specifically, if you are a corporation, limited liability company, partnership, or other legal entity that is not an individual, the Client Representative signing this Brokerage Agreement on your behalf has been authorized to execute this Brokerage Agreement by appropriate corporate, member or manager, partnership or similar action, and if this Brokerage Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Brokerage Agreement on your behalf, you have the power and authority to enter into this Brokerage Agreement and that the services described herein are authorized under your applicable articles, certificate, charter, operating agreement, partnership agreement, plan document, trust or organizational, delegation or formation documents or law. You will deliver to Wealthfront Brokerage evidence of your and Client Representative’s authority on Wealthfront Brokerage’s request and will promptly notify Wealthfront Brokerage of any change in such authority, including but not limited to an amendment to your organizational, delegation or formation documents that changes the information you provide to Wealthfront Brokerage on opening an Account.
- ii. If Client Representative is entering into this Agreement on your behalf, you and Client Representative understand and agree that the representations, warranties and agreements made herein are made by you both: (a) with respect to you; and (b) with respect to the Client Representative.
- iii. You are the owner or co-owner of all cash and Securities in the Account, no one except you (or in the case of a Joint Account, the co-owner of record) has an interest in the Account or Accounts of yours with Wealthfront Brokerage, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such cash or Securities.
- iv. You will provide Wealthfront Brokerage as requested with complete and accurate information about your identity, background, net worth, investing timeframe, other risk considerations, any Securities from which you may be or become legally restricted from buying or selling, and other investment accounts, in your investment profile with Wealthfront Advisers, and you will promptly update that information as your circumstances change.
- v. You acknowledge that Wealthfront Advisers and Wealthfront Brokerage are subject to certain anti-money laundering (“AML”) and related provisions under applicable laws, rules and regulations and are otherwise prohibited from engaging in transactions with, or providing services to, certain foreign countries, territories, entities and individuals, including without limitation, specially designated nationals, specially designated narcotics traffickers and other parties subject to United States government or United Nations sanctions and embargo programs (collectively “AML Laws”). In furtherance of the foregoing, you hereby represent and warrant the following and shall promptly notify Wealthfront Advisers or Wealthfront Brokerage if any of the following ceases to be true and accurate: (a) to the best of the your knowledge based upon appropriate diligence and investigation, none of the cash or property that the you has paid or will pay or deposit to Wealthfront Advisers or Wealthfront Brokerage has been or shall be derived from or related to any activity that is deemed criminal under United States law, nor will any of the your payments or deposits to Wealthfront Advisers or Wealthfront

Brokerage directly or indirectly contravene United States federal, state, international or other laws or regulations, including without limitation any AML Laws (b) no contribution or payment by you, or on your behalf, to Wealthfront Advisers or Wealthfront Brokerage shall cause Wealthfront Advisers or Wealthfront Brokerage to be in violation of any AML Laws. You understand and agree that if at any time it is discovered that any of the representations in this Section are untrue or inaccurate, or if otherwise required by applicable law or regulation related to money laundering and similar activities, Wealthfront Brokerage may undertake appropriate actions to ensure compliance with applicable law or regulation, including, but not limited to, freezing or forcing a withdrawal of your cash or assets from Wealthfront Advisers and Wealthfront Brokerage. Client further understands and agrees that Client's access to products and services may be restricted while in certain foreign countries or territories, in accordance with AML Laws.

vi. You acknowledge that Wealthfront Advisers or Wealthfront Brokerage may require further documentation verifying your identity or the identity of the beneficial owners, if any, and the source of funds used to make payment or deposit to Wealthfront Advisers or Wealthfront Brokerage. You hereby agree to provide such documentation as may be requested by Wealthfront Advisers or Wealthfront Brokerage. Furthermore, you acknowledge and agree that Wealthfront Advisers or Wealthfront Brokerage may release confidential information regarding you and, if applicable, any of your beneficial owners, to government authorities if Wealthfront Advisers or Wealthfront Brokerage, in their sole discretion, determines after consultation with counsel that releasing such information is in the best interest of Wealthfront Advisers or Wealthfront Brokerage.

vii. You acknowledge and accept full responsibility for the content and accuracy of all authorized instructions placed on your Account(s), and for all results and consequences of these instructions, including all investment decisions, trading orders, tax consequences, transfer requests, and instructions placed by you or any other person you authorize.

#### **17.4 No Plan Assets**

As the effective date of this Brokerage Agreement and at all times during the term of this Brokerage Agreement, none of the Account's assets are or will be assets of "employee benefit plans" within the meaning of the Federal Employee Retirement Income Security Act of 1974, as amended.

#### **18. Joint Accounts**

If Client is entering into this Brokerage Agreement to establish a Joint Account with another Joint Account Holder, Client understands and agrees that the representations, warranties and agreements made herein are made on behalf of Client and the other Joint Account Holder. Client represents and warrants on behalf of themselves and the other Joint Account Holder that (a) each Joint Account Holder is a customer of Wealthfront Brokerage pursuant hereto; and (b) each Joint Account Holder has the full authority to act individually on behalf of the Joint Account without notice to, or approval from, the other Joint Account Holder, subject to Wealthfront Advisers' exclusive investment discretion with respect to the Account.

Client understand and agrees on behalf of Client and the other Joint Account Holder that for the duration of the Joint Account (a) only the Primary Joint Account Holder (as defined below) will be sent tax documents for the Joint Account; (b) primary ownership of the Joint Account cannot be changed once the Joint Account has been established; (c) each Joint Account Holder will have access to certain personal and financial information of the other Joint Account Holder; (d) each Joint Account Holder may deposit to, make withdrawals or transfers from, or issue stop payment orders with respect to, the Joint Account without notice to, or consent from, the other Joint Account Holder; (e) each Joint Account Holder may change or edit certain Joint Account investment inputs and selections (e.g., reinvestment decisions) at any time without notice to, or consent from, the other Joint Account Holder; (f) Wealthfront Advisers and Wealthfront Brokerage are entitled to rely upon and accept instructions from either Joint Account Holder; (g) when receiving instructions from a Joint Account Holder, Wealthfront Advisers and Wealthfront Brokerage shall not be required, and will not be expected, to seek confirmation of instructions from the other Joint Account Holder nor shall Wealthfront Advisers or Wealthfront Brokerage be responsible for determining the purpose or propriety of any instruction received from a Joint Account Holder as against the other Joint Account Holder; (h) notice provided to either Joint Account Holder will be deemed to be notice to all Joint Account Holders and Wealthfront Brokerage may deliver securities or other property to any one of the Joint Account Holders; (i) each Joint Account Holder is, and shall be, jointly and severally liable for the obligations, acts and omissions of the other Joint Account Holder; (j) the Joint Account will be treated as owned by the Joint Account Holders as joint tenants with rights of survivorship; and (k) that in the case of death of any of the Joint Account Holders, interest in the entire Account shall vest in the surviving Joint Account Holder under the same terms and conditions of this Brokerage Agreement and following such a death, the surviving Joint Account Holder shall promptly provide Wealthfront Brokerage with written notice thereof and any documentation reasonably requested by Wealthfront Brokerage in its administration of the Account; and (l) any action (and inaction), instruction, request, approval, and other similar conduct taken or provided by a Joint Account Holder arising under or related to this Agreement and the Joint Account shall be binding on the other Joint Account Holder.

A Joint Account may be closed by any Joint Account Holder. However, a Joint Account Holder may not remove the other Joint Account Holder from a Joint Account without a written agreement signed by both of the Joint Account Holders. If a Joint Account Holder makes adverse claims or demands concerning the Joint Account, Wealthfront Brokerage may, in its sole discretion, refuse to recognize such claims or refuse to take action until the rights of all interested parties have been resolved to our satisfaction and we are provided a copy of an agreement signed by both Joint Account Holders.

In connection with any Joint Account, Client agrees to release Wealthfront Brokerage from all liability in connection with any instructions or payments we receive from the other Joint Account Holder. In addition, Client as well as their successors, assigns, heirs and personal representatives agrees to indemnify and hold harmless Wealthfront Brokerage, Wealthfront Advisers and their affiliates, their agents, and their respective successors and assigns from any and all loss, damage or liability arising out of claims (i) related to actions or instructions given by a Joint Account Holder, (ii) arising from any dispute between the Joint Account Holders regarding changes to management of the Joint Account that are implemented at the direction of one, but not both, Joint Account Holders and/or (iii) incurred because any representation or warranty contained herein or in any other applicable ancillary document, is, at any time, not true and correct.

Client acknowledges and agrees that each Joint Account Holder is required to establish its own individual login privileges to the Joint Account. In the event that individual login privileges are not established for each Joint Account Holder, Client acknowledges and agrees that Wealthfront Brokerage may convert, and Client may be required to transfer assets from, the Joint Account to an individual (*i.e.*, single-person) Account in the name of the Joint Account Holder who first established the Joint Account (“the Primary Joint Account Holder”) and any Joint Account Holder who failed to establish individual login privileges as of such time will have no right, title or interest in or to the individual Account so established. Client agrees that neither Wealthfront Brokerage nor Wealthfront Advisers shall be liable in any way to the Joint Account Holders with regard to any tax or other consequences that may result from such Joint Account conversion or termination.

## **19. Notices**

All notices and communications under this Agreement must be made through the Site or by email. Wealthfront Brokerage’s contact information for this purpose is [support@wealthfront.com](mailto:support@wealthfront.com), and your contact information for this purpose is contained in your user account on the Site and the primary email address(es) in your Account application as you shall update from time to time.

## **20. Governing Law**

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California applicable to contracts made and to be performed within the State of California as applied to contracts between California residents to be entered into and performed by California residents entirely within the State of California.

## **21. Severability and Amendment**

The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any and all other provisions hereof. You acknowledge that Wealthfront Brokerage may amend this Brokerage Agreement from time to time by notifying you by email or message to your Account, which amendment will be effective immediately.

## **22. Waiver or Modification.**

Wealthfront Brokerage’s waiver or modification of any condition or obligation hereunder shall not be construed as a waiver or modification of any other condition or obligation, nor shall Wealthfront Brokerage’s waiver or modification granted on one occasion be construed as applying to any other occasion.

## **23. Entire Agreement**

This Brokerage Agreement, together with the Account Agreement and the Custodial Agreement is the entire agreement of the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral negotiations, correspondence, agreements and understandings (including without limitation any and all preexisting account agreements, which are hereby canceled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

## **24. No Third-Party Beneficiaries**

Except with respect to Wealthfront Advisers’ rights pursuant to the Account Agreement, neither party intends for this Agreement to benefit any third-party (other than Wealthfront Advisers) not expressly named in this Agreement.

## **25. Termination and Survival**

This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by you to Wealthfront Brokerage through the Site and by Wealthfront Brokerage to you through the primary email address in your Account application as you shall update from time to time. You may withdraw all or part of the Account(s) by notifying Wealthfront Brokerage at any time, however certain partial withdrawals may result in termination of this Agreement. Client's withdrawal of all of the Accounts under this Agreement will terminate this Agreement. Upon termination of this Agreement, Sections 6, 7, 15, 16, 18, and 20 through 25 shall survive such termination. Client understands and agrees that Wealthfront Advisers may determine to liquidate immediately all holdings in the Wealthfront Account.

## **26. Market Data Not Guaranteed**

You expressly agree that any market data or online reports are provided to you without warranties of any kind, express or implied, including but not limited to, the implied warranties of merchantability, fitness of a particular purpose or non-infringement. You acknowledge that the information contained in any reports provided by Wealthfront Brokerage is obtained from sources believed to be reliable but is not guaranteed as to its accuracy of completeness. Such information could include technical or other inaccuracies, errors or omissions. In no event shall Wealthfront Brokerage or any of Wealthfront Brokerage's affiliates be liable to you or any third-party for the accuracy, timeliness, or completeness of any information made available to you or for any decision made or taken by you in reliance upon such information. In no event shall Wealthfront Brokerage or Wealthfront Brokerage's affiliated entities be liable for any special incidental, indirect or consequential damages whatsoever, including, without limitation, those resulting from loss of use, data or profits, whether or not advised of the possibility of damages, and on any theory of liability, arising out of or in connection with the use of any reports provided by Wealthfront Brokerage or with the delay or inability to use such reports.

## **27. Cash Sweep Program**

### **27.1 Consent**

We automatically transfer, or "sweep," uninvested cash in your Account to a Designated Sweep Vehicle, as further described in this Section (the "Cash Sweep Program"). We reserve the right to change both Cash Sweep Program options available and the general terms and conditions of the Cash Sweep Program, including sweeping uninvested cash in your Account to either: (i) the Participating Bank Sweep Option where deposits are eligible for FDIC pass-through insurance, subject to certain conditions being satisfied or (ii) the Money Market Fund Sweep Option. Except as otherwise noted in the Cash Sweep Program Disclosure Statement, which may be updated from time to time, Wealthfront Brokerage may, with 30-days prior notice to you, change, add or delete products available through, or the terms and conditions of, the Cash Sweep Program. Further, we may, upon 30-days prior notice to you, change the Cash Sweep option in which you participate from one option to the other. Your continued use of your Cash Account following such change to the Cash Sweep Program and/or your Cash Sweep option shall constitute your consent to any such change.

By entering into this Brokerage Agreement, you affirmatively consent and authorize Wealthfront Brokerage to: (i) sweep any available cash in your Wealthfront Account into a Money Market Fund Sweep Option in accordance with instructions from Wealthfront Advisers, and (ii) sweep any available cash in your Cash Account into a Designated Sweep Vehicle that had been designated by you. You further consent that notifications and disclosure concerning changes to the Cash Sweep Program will be made through updates to the Cash Sweep Program Disclosure Statement and/or the Brokerage Agreement. For more information regarding the Cash Sweep Program, please refer to the [Cash Sweep Program Disclosure Statement](#).

### **27.2 Money Market Fund Sweep Option**

You agree that your available cash in your Account(s) will be swept into the RBC U.S. Government Money Market Fund ("RBC Fund") pending investment of the cash or until otherwise needed to satisfy obligations arising in connection with your Account(s). Cash will be automatically invested in the RBC Fund. Proceeds from the sale of Securities will be swept into the RBC Fund following settlement if the Securities sold have been received in good deliverable form by the settlement date. The proceeds of any checks, wires or Automated Clearing House ("ACH") transactions that you deposit to your Account(s) will be swept to the RBC Fund by Wealthfront Brokerage and will begin earning dividends on that immediately following business day, or within 1 to 3 business days under certain circumstances. Access to such funds may be withheld for up to six Business Days to assure that such deposits have not been returned unpaid. You authorize Wealthfront Brokerage to automatically redeem balances maintained in the RBC Fund to satisfy your obligations. You authorize Wealthfront Brokerage to act as your agent to purchase and redeem balances in the RBC Fund, and further authorize Wealthfront Brokerage to select and use agents as Wealthfront Brokerage deems appropriate.

**Acknowledgements.** You acknowledge and agree that: Investments in the RBC Fund are subject to restrictions described in the applicable RBC Fund prospectus. For more complete information about the RBC Fund, including charges and expenses, read the

RBC Fund's prospectus carefully. An investment in the RBC Fund is neither insured nor guaranteed by the FDIC. Although investments in the RBC Fund provide a means of earning a return on cash, there can be no assurance that the RBC Fund will be able to maintain a stable net asset value of \$1 per share. In the event that the RBC Fund is no longer able to maintain the net asset value of its shares at \$1, then you authorize and instruct Wealthfront Brokerage, without further notice to you, to redeem all of your RBC Fund shares as soon as commercially practicable and deposit the proceeds in your Account.

### **27.3 The Participating Bank Sweep Option (only available to Cash Accounts)**

You agree that your available cash in your Cash Account(s) will be swept into a FDIC-insured interest-bearing account at one or more Participating Banks, which generally occurs within 1 to 3 Business Days (not including bank holidays or days on which the New York Stock Exchange is closed, such as Good Friday) after receipt of such cash. The Participating Bank Sweep Option has a network of FDIC-insured Participating Banks to which your cash balances can be spread in an effort to increase total FDIC pass-through insurance protection.

Participating Banks may be added or removed from our Cash Sweep Program and a full list of current Participating Banks is available at <https://www.wealthfront.com/cash-account-participant-banks> (the "Participating Banks List"). Please review the Participating Banks List carefully and periodically as it is subject to change. Generally, Wealthfront Brokerage seeks to update our Participating Bank List upon 30-days prior notice of any changes; however, you acknowledge and agree that under limited circumstances, such prior notice may not be possible. If you opt out of one or more Participating Banks, the amount of total FDIC pass-through insurance that your Program Deposit (as defined in the Cash Sweep Program Disclosure Statement) is eligible for may decrease.

Wealthfront Brokerage is not responsible for monitoring the total amount and insurable capacity of deposits you have at each Participating Bank to determine whether it exceeds the total limit of available FDIC insurance. You are responsible for monitoring your total deposits at each Participating Bank, including those deposits held at Participating Banks outside of the Cash Sweep Program, to determine the extent of total FDIC insurance that is available.

Neither Wealthfront Brokerage nor any of its affiliates are a bank, and the Cash Account itself is not a deposit account. Available cash in your Cash Account(s) will be swept in accordance with predetermined factors to FDIC-insured interest-bearing accounts at Participating Banks where, subject to the satisfaction of certain conditions, it is eligible for FDIC pass-through insurance. Please refer to the [Cash Sweep Program Disclosure Statement](#) for more information about the list of Participating Banks and how the Participating Bank Sweep Option works.

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Contact Center: (800) 248-8447 | [www.ForgeTrust.com](http://www.ForgeTrust.com)

The following information is the Disclosure Statement required by federal tax regulations. You should read this Disclosure Statement and the Custodial Account Agreement for the Individual Retirement Accounts ("IRA"). The rules governing IRAs are subject to change. The contribution limit information is based on federal law as stated in the Internal Revenue Code, and is believed to be accurate as of January 1, 2024. However, eligibility to contribute is dependent on your tax filing status and personal situation. Please consult a tax advisor concerning your specific contribution eligibility, and any applicable state laws which may differ from federal law.

You should consult Internal Revenue Service ("IRS") Publication 590-A/B or the IRS website [www.irs.gov](http://www.irs.gov) for updated rules and requirements. You should also consult with a tax advisor concerning the tax rules that apply to your specific situation.

### **Important Information About U.S. Government Requirements That May Affect Your Account**

Forge Trust Co., ("we" or "us"), provides custodial and administrative services for your retirement or savings account. As a result of this role, persons who open a retirement or savings account are considered 'customers' of Forge Trust Co. ("you" or "your").

To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal law requires Forge Trust Co., as a non-depository trust company regulated by the State of South Dakota Division of Banking, to obtain, verify, and record information that identifies each person who opens an account. All accounts we open are opened on a conditional basis — conditioned on our ability to verify your identity in accordance with Federal law.

When establishing an account, you are required to provide your full legal name, address, government issued identification number (e.g. social security number), date of birth, and other information within your account-opening application that will allow us to identify you. We may also request a copy of your driver's license or other identifying documents and may consult third-party databases to help verify your identity. If the account you are opening will be registered in the name of a beneficiary, trust, or estate or charity, we may require additional identifying documentation.

**If you fail to provide any requested identifying information or documentation when opening your account, your new account application may be rejected.**

**If we open your account, and you subsequently fail to provide all identification materials we request or if we are subsequently unable to adequately verify your identity as required by U.S. Government regulations, we reserve the right to take any one or more of the following actions:**

- We may place restrictions on your account which block all purchase and investment transactions and we may place additional restrictions on your account blocking other transactional activities if we determine such additional restrictions are appropriate under Federal law or regulation.
- We may close your account, sell (i.e., "liquidate") the assets in your account in the prevailing market at the time, and send you a check representing the cash proceeds of your account or we may transfer all your assets in kind to your name. This distribution will be reported to the Internal Revenue Service and may result in negative tax consequences to you under Federal and state tax laws.

### **You May Incur Losses**

Despite being opened as a conditional account, your account will be invested as you instruct and you will be subject to all market risks during the period between account opening and any liquidation necessitated by your failure to furnish requested identifying information or by an inability to adequately verify your identity. You may also be subject to additional market risks if the additional transactional restrictions discussed above are placed on your account. In addition, the closing of your account may subject you to fees and charges imposed by a sponsor, issuer, depository or other person or entity associated with one or more of the assets in which you are invested, and any sales charges you may have paid in connection with your purchases will not be refunded.

### **You Assume All Responsibility For These Losses**

Forge Trust Co. expressly disclaims any responsibility or liability for losses you incur as result of your failure to furnish identification materials we request, including investment losses and any other loss or damage (including but not limited to lost opportunities and adverse tax consequences). If you proceed with the account opening process, you accept all risks of loss resulting from any failure of yours to furnish the identification materials we request or from a subsequent inability to adequately verify your identity in accordance with Federal law or regulation.

### **State Unclaimed Property Law Disclosure**

The assets in your custodial account are subject to state unclaimed property laws which provide that if no activity occurs in your account within the time period specified by state law, your assets must be transferred to the state, based on your primary residence. We are required by law to advise you that your assets may be subject to escheatment in compliance with these laws.

### **Revocation of Your IRA**

You have the right to revoke your IRA and receive the entire amount of your initial investment by notifying the Custodian in writing within seven (7) days of establishing your IRA (account open date). If you revoke your IRA within seven days, you are entitled to a return of the entire amount of the contributions or the actual property, without adjustment for such items as administrative expenses. If you decide to revoke your IRA, notice should be delivered or mailed to the address listed in the application instructions. This notice should be signed by you and include the following:

1. The date.
2. A statement that you elect to revoke your IRA.
3. Your IRA account number.
4. The date your IRA was established.
5. Your signature and your name printed or typed.

Mailed notice will be deemed given on the date that it is postmarked, if it is properly addressed and deposited either in the United States mail, first class postage prepaid, or with an IRS approved overnight service. This means that when you mail your notice, it must be postmarked on or before the seventh day after your IRA was opened. A revoked IRA will be reported to the IRS and the Depositor on IRS Forms 1099-R and 5498.

## Contributions

The maximum allowable contribution to your individual retirement accounts (deductible, non-deductible, and Roth) for each tax year is the lesser of (a) \$7,000 or (b) 100% of your compensation or earnings from self-employment. For years after 2024, consult IRS Publication 590-A or irs.gov for current contribution limits.

### Age 50 or Above Catch-Up Contributions

For those who have attained the age of 50 before the close of the taxable year, the annual IRA contribution limit is increased by \$1,000.

The above limits may be subject to Internal Revenue Service ("IRS") cost-of-living adjustments, if any. Please consult IRS Publication 590-A or irs.gov for current contribution limits. Please read the Traditional Individual Retirement Account (IRA) Disclosure Statement carefully or consult IRS Publication 590A/B or a qualified tax professional for more information about eligibility requirements and contribution restrictions.

Making an IRA contribution on behalf of your spouse — If you have earned compensation, are married and file a joint federal income tax return, you may make an IRA contribution on behalf of your working or nonworking spouse. The total annual contribution limit for both IRAs may not exceed the lesser of the combined compensation of both spouses or the annual IRA contribution limits as set forth by the IRS. Contributions made on behalf of a spouse must be made to a separate IRA account established by your spouse. More information about eligibility requirements and contribution restrictions can be found in IRS Publication 590A/B.

**Rollover Contributions.** You may also make a rollover contribution to your account of certain distributions from eligible employer-sponsored retirement plans (such as a 401(k) or 403(b) plan).

Any contribution made to your IRA will be treated as a contribution for the year it is received, unless the contribution is made between January 1 and the April 15th postmark deadline and you have identified the contribution as a prior year contribution.

## Description of Available Options For Your Contributions

The assets in your custodial account will be invested in accordance with instructions communicated by you (or following your death, by your beneficiary) or by your (or following your death, your beneficiary's) authorized agent. Account contributions are eligible for investment under section 408(a) of the Internal Revenue Code that are acceptable to the Custodian as investments under the Individual Retirement Account (IRA) Application and Agreement. Forge Trust Co. does not recommend any particular investment or asset class, nor do we perform due diligence or determine the suitability of any investment or asset category for our account holders and your investments are neither guaranteed nor protected.

## Fees and Charges

There is a custodial maintenance fee for each IRA account and asset held per calendar quarter. The Custodian may also charge other fees in connection with any transaction, distribution or activity within your IRA. Please refer to the current fee schedule.

## TRADITIONAL INDIVIDUAL RETIREMENT ACCOUNT DISCLOSURE

You have opened an Individual Retirement Account (IRA), which is a Traditional IRA or SEP IRA for the exclusive benefit of you and your beneficiaries, created by a written instrument (the Custodial Account Agreement). The following requirements apply to your IRA:

1. Contributions, transfers and rollovers may be made only in "cash" by check, draft, or other form acceptable to the Custodian.
2. The Custodian must be a bank, trust company, savings and loan association, credit union or a person who is approved to act in such capacity by the Secretary of the Treasury.
3. No part may be invested in life insurance contracts.
4. No part may be invested in collectibles such as artwork, coins, stamps, rugs, antiques, beverages, and other personal property.
5. No part may be invested in S-corp stock.
6. No part may be invested in gemstones and metals (except for certain coins and bullion which are allowed).
7. Your interest must be nonforfeitable.
8. The assets of the custodial account may not be mixed with other property except in a common investment fund.
9. You must begin receiving distributions from your account no later than your "required beginning date" (for those born after 1950, the April 1 following your attainment of age 73\*) attain; and distributions must be completed over a period that is not longer than the joint life expectancy of you and your beneficiary.  
\*For those born 7/1/49-12/31/50, the required beginning date is the April 1 following the year you turn 72, and for those born 6/30/49 or earlier the required beginning date is the April 1 following the year you turn 70 ½. Please see IRS Publication 590-B.

## Traditional IRA Eligibility

You are permitted to make a regular contribution to your traditional IRA for any taxable year, if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employment. The amount which is deductible depends upon whether or not you are an active participant in a retirement plan maintained by your employer, your modified adjusted gross income, your marital status, and your tax filing status.

## Traditional IRA Income Tax Deduction

Your contribution to a traditional IRA may be deductible on your federal income tax return. However, there is a phase-out of the IRA deduction if you are an active participant in an employer-sponsored retirement plan. The IRA deduction is reduced proportionately as adjusted gross income increases. Adjusted gross income levels are subject to change each year. Please consult IRS Publication 590A/B for calculating your deductible contribution as it pertains to individual income and employer-sponsored retirement plan circumstances. Your contributions in excess of the permitted deduction will be considered non-deductible contributions.

A deductible IRA contribution can be made to your spouse's IRA even if you are an active participant in an employer-sponsored retirement plan, if your joint adjusted gross income for the tax year does not exceed the limits as set forth by the IRS. The IRA deduction is reduced proportionally as your joint adjusted gross income increases. Please refer to IRS Publication 590A/B for current year phase-out limits.

## Traditional IRA Taxation and Taxation of Rollover Contributions

The income of your IRA is not taxed until the money is distributed to you. Distributions are taxable as ordinary income when received, except the amount of any distribution representing non-deducted contributions or the return of an excess contribution is not taxed.

In general, you may "rollover" certain distributions from another IRA, an eligible rollover distribution from your employer's qualified plan, or distributions from certain tax deferred annuities or accounts. If a distribution is rolled over (i.e. deposited in your IRA within 60 calendar days of the date of receipt), the amount rolled over is not taxable. The IRS strictly enforces the 60-day time limit. You may rollover a portion of a distribution in which case the remainder will be subject to tax. The IRS requires 20% of any eligible rollover distribution from your employer's qualified plan to be withheld for federal income tax unless your distribution is transferred (as a direct rollover) to an eligible retirement plan such as another qualified plan or IRA.

If you make a tax-free rollover of any part of a distribution from a traditional IRA, you cannot, within a 1-year period, make a tax-free rollover of any later distribution from that same or any other traditional IRA including from the traditional IRA into which you made the tax-free rollover. Please consult IRS Publication 590A/B for more information pertaining to rollover contributions.

*Note: The rules regarding tax-free rollovers are complex and subject to frequent change; you should consult a professional tax advisor if you are considering a rollover.*

## Converting to a Roth IRA

You may also "convert" all or a portion of your traditional, SEP or SIMPLE (after the required two year holding period) IRA to a Roth IRA. A conversion is a type of distribution and is not tax-free. You may not convert any portion of a required minimum distribution (RMD). Distributions are taxable as ordinary income when received, except the amount of any distribution representing the return of non-deducted contributions is not taxed. The 10% penalty tax on early distributions does not apply to conversion amounts unless an amount attributable to a conversion is distributed from the Roth IRA prior to five years from the date of the conversion. Your traditional IRA may be converted to a Roth IRA by means of an in-house direct transfer (within the same financial institution) or as a direct transfer between two different financial institutions.

A conversion is reported as a distribution from your traditional IRA (IRS Form 1099-R) and a conversion contribution to your Roth IRA (IRS Form 5498). The rules regarding conversions to Roth IRAs are complex and you should consult a professional tax advisor prior to a conversion. You will generally need to make provision for payment of taxes (including any required estimated taxes) due upon conversion of your traditional IRA from other assets.

## Recharacterizing Traditional IRA Contributions

If you are eligible to contribute to a Roth IRA, all or part of a contribution you make to your traditional IRA, along with allocable earnings or losses, may be recharacterized and treated as if made to your Roth IRA on the date the contribution was originally made to your traditional IRA. Recharacterization of a contribution is irrevocable and must be completed on or before the due date, including extensions, for filing your federal income tax return for the tax year for which the contribution was originally made. Please refer to IRS Publication 590A/B for more information.

A recharacterized contribution is reported as a distribution from the first IRA (IRS Form 1099-R) and a recharacterization contribution to the second IRA (IRS Form 5498) for the tax year in which the recharacterization occurs. The rules regarding recharacterization are complex and you should consult a professional tax advisor prior to any recharacterization.

## Excess Contributions

Amounts contributed to your traditional IRA in excess of the allowable limit will be subject to a non-deductible excise tax of 6% for each year until the excess is used up (as an allowable contribution in a subsequent year) or returned to you. The 6% excise tax will not apply if the excess contribution and earnings allocable to it are distributed by your federal income tax return due date, including extensions. If such a distribution is made, only the earnings are considered taxable income for the tax year in which the excess was contributed to the IRA. If you make an excess contribution to your IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess that remains in your account.

Earnings will be removed with the excess contribution, if corrected before your federal income tax return due date (including extensions), pursuant to Internal Revenue Code Section 408(d)(4) and IRS Publication 590A/B an IRS Form 1099-R will be issued for the year in which the distribution occurred, not the year in which the excess contribution was made. Consult IRS Publication 590A/B for more information pertaining to excess contributions. If you are subject to a federal penalty tax due to an excess contribution, you must file IRS Form 5329.

For the purpose of the excess contribution, we will calculate the net income attributable to that contribution (Net Income Attributable or "NIA") using the method provided for in the IRS Final Regulations for Earnings Calculation for Returned or Recharacterized Contributions. This method calculates the NIA based on the actual earnings and losses of the IRA during the time it held the excess contribution. Please note that a negative NIA is permitted and, if applicable, will be deducted from the amount of the excess contribution.

Excess contributions (plus or minus the NIA) that are distributed by your federal income tax return due date (including extensions) will be considered corrected, thus avoiding an excess contribution penalty.

## Early Distributions From a Traditional IRA

Your receipt or use of any portion of your account (excluding any amount representing a return of non-deducted contributions) before you attain age 59½ is considered an early or premature distribution. The distribution is subject to a penalty tax equal to 10% of the distribution unless one of the following exceptions applies to the distribution:

1. due to your death, or
2. made because you are disabled, or
3. used specifically for deductible medical expenses which exceed 7.5% of your adjusted gross income, or

4. used for health insurance cost due to your unemployment, or
5. used for higher education expenses defined in section 529(e) (3) of the Internal Revenue Code, or
6. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
7. part of a scheduled series of substantially equal periodic payments over your life, or over the joint life expectancy of you and a beneficiary. If you request a distribution in the form of a series of substantially equal periodic payments, and you modify the payments before 5 years have elapsed and before attaining age 59½, the penalty tax will apply retroactively to the year payments began through the year of such modification, or
8. required because of an IRS levy, or
9. the distribution is a Qualified Reservist Distribution, or
10. the distribution is a qualified birth or adoption distribution, or
11. the distribution is in connection with qualified federally declared disasters, or
12. the distribution is to an individual with a terminal illness

The 10% penalty tax is in addition to any federal income tax that is owed at distribution. For more information on the 10% penalty tax and the exceptions listed above, consult IRS Publication 590A/B. If you are subject to a federal penalty tax due to a premature distribution, you must file IRS Form 5329.

## **Required Distributions From a Traditional IRA**

You are required to begin receiving minimum distributions from your IRA by your required beginning date (see above). Your required minimum distribution for each year, beginning with the calendar year you attain age 73 (or earlier required beginning age if you were born before 1951), is generally based upon the value of your account at the end of the prior year divided by the factor for your age (derived from the IRS Uniform Lifetime Distribution Period Table). This table assumes you have a designated spouse beneficiary exactly 10 years younger than you. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your spouse. The account balance that is used to determine each year's required minimum distribution amount is the prior year end fair market value (value as of December 31st), adjusted for outstanding rollovers, transfers and recharacterizations (that relate to a conversion or failed conversion made in the prior year). You are responsible for notifying the Custodian of any outstanding amounts.

If the amount distributed during a taxable year is less than the minimum amount required to be distributed, you will be subject to a penalty tax equal to 25% of the difference between the amount distributed and the amount required to be distributed. If the minimum distribution is taking within the following year, that 25% penalty is reduced to 10%. You are responsible for monitoring this schedule from year to year to make sure that you are withdrawing the required minimum amount. If you are subject to a federal penalty tax due to a missed required minimum distribution, you must file IRS Form 5329.

However, no payment will be made from this IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your spouse was your sole beneficiary, as of the January 1st of the calendar year that contains your required beginning date, and such spouse is more than 10 years younger than you. The required minimum distribution for the second distribution calendar year and for each subsequent distribution calendar year must be made by December 31 of each such year. A required minimum distribution election form is available from the Custodian.

## **Traditional IRA Distributions Due to Death**

If you die, your account must generally be distributed within 10 years, except if your named beneficiary is your surviving spouse, a minor child, a disabled or chronically ill person or a person not more than 10 years younger than you. These "eligible designated beneficiaries" generally have the option to take distributions over their life expectancy. Please see IRS Publication 590B.

## **Traditional IRA — IRS Approved Form**

Your traditional IRA is the Internal Revenue Service's model custodial account contained in IRS Form 5305-A. Certain additions have been made in Article VIII of the form. By following the form, your traditional IRA meets the requirements of the Internal Revenue Code. However, the IRS has not endorsed the merits of the investments allowed under the IRA. Form 5305-A may also be used by qualifying employers in conjunction with Form 5305-SEP to establish a Simplified Employee Pension plan (SEP) on behalf of employees. If your IRA is part of a SEP, details regarding the plan should also be provided by your employer. IRS Form 5305-A cannot be used in connection with SIMPLE or Roth IRAs or Coverdell Education Savings Accounts.

## **Tax Refund Direct Deposit IRA Contributions**

Taxpayers who qualify for a tax refund may elect to directly deposit their refund into their IRA account. The amount of the refund deposited to your IRA cannot exceed annual IRA limits as set forth by the Internal Revenue Service. You must contact the Custodian in advance of completing IRS Form 8888 to obtain the proper routing instructions. All tax refund contributions will be recorded as current year contributions for the year received.

## **Health Savings Account ("HSA") Funding Distribution**

You are allowed a one-time, tax-free transfer from an IRA (other than a SEP or SIMPLE IRA) to use toward your annual Health Savings Account ("HSA") contribution. Eligible individuals may make an irrevocable one-time, tax-free "qualified HSA funding distribution" from an IRA and move it directly into an HSA, subject to strict requirements. The HSA funding distribution must be directly transferred from the IRA custodian or trustee to the HSA custodian or trustee. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred. The deposited amount is counted toward the individual's total HSA annual contribution limit.

## **Non-Spouse Beneficiaries of Employer Plans**

Eligible non-spouse beneficiary distributions from an employer's retirement plan can be directly rolled over into a beneficiary/ inherited IRA. To accomplish the direct rollover, the plan administrator must distribute the benefit payable to the trustee or custodian and mail it directly to the receiving institution. If the distribution is paid directly to the non-spouse beneficiary, a rollover will not be permitted.

The beneficiary/inherited IRA account must be registered in both the non-spouse beneficiary's name and the decedent's name. A non-spouse beneficiary may include a trust beneficiary that meets the special "look through" rules under the IRS regulations. Non-qualified trusts, estates or charities are not eligible for the direct rollover provision.

## **Qualified Reservist Distributions**

Early distributions paid to military reservists called to active duty after September 11, 2001 ("Qualified Reservist Distributions") are eligible to be repaid to an IRA within a two-year period after the end of active duty. This provision applies to distributions made after September 11, 2001. Repayments cannot exceed the amount of your Qualified Reservist Distributions. Repayment cannot be made after the later of either the date that is two years after your active duty period ends, or August 16, 2008. The repayments are not treated as rollovers. For additional information refer to IRS Publication 590A/B under the heading "Qualified reservist repayments."

## **Qualified Charitable Distributions**

Qualified charitable distributions. A qualified charitable distribution (QCD) is generally a nontaxable distribution made directly by the trustee of your IRA (other than a SEP or SIMPLE IRA) to an organization eligible to receive tax-deductible contributions. You must be at least age 70½ when the distribution was made. Also, you must have the same type of acknowledgment of your contribution that you would need to claim a deduction for a charitable contribution. See Records To Keep in Pub. 526.

The maximum annual exclusion for QCDs is \$100,000. Any QCD in excess of the \$100,000 exclusion limit is included in income as any other distribution. If you file a joint return, your spouse can also have a QCD and exclude up to \$100,000. The amount of the QCD is limited to the amount of the distribution that would otherwise be included in income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income.

## **Prohibited Transactions**

If you or your beneficiary engages in any prohibited transaction as described in the Internal Revenue Code (IRC) Section 4975(c) (such as any sale, exchange, borrowing, or leasing of any property between you and your IRA; or any other interference with the independent status of the account), the account will lose its exemption from tax and be treated as having been distributed to you on first day of the tax year in which you or your beneficiary engaged in the prohibited transaction. The distribution may also be subject to additional penalties including a 10% penalty tax if you have not attained age 59½. See Publication 590A/B for further instructions on calculating taxable gain, reporting amounts in income and prohibited transaction penalty taxes. In addition, if you or your beneficiary use (pledge) all or any part of your IRA as security for a loan, then the portion so pledged will be treated as if distributed to you, and will be taxable to you. Your distribution may also be subject to a 10% penalty tax if you have not attained age 59½ during the year which you make such a pledge.

## **Estate Tax**

Amounts payable to your spouse, as your named beneficiary, may qualify for a marital tax deduction for federal estate tax purposes.

## **Income Tax Withholding**

The Custodian is required to withhold federal income tax from any taxable distribution from your IRA at the rate of 10% unless you choose not to have tax withheld. You may elect out of withholding by advising the Custodian in writing, prior to the distribution, that you do not want tax withheld from the distribution. This election may be made on any distribution request form provided by the Custodian. If you do not elect out of tax withholding, you may direct the Custodian to withhold an additional amount of tax in excess of 10%.

State income tax withholding may also apply to distributions from your IRA account when federal income tax is withheld. Please contact your tax advisor or state tax authority for information about your state's income tax withholding requirements.

## **Additional Information**

Distributions under \$10 will not be reported on IRS Form 1099-R (as allowed under IRS regulations). However, you must still report these distributions to the IRS on your Form 1040 (as well as other forms that may be required to properly file your tax return).

For more detailed information, you may obtain IRS Publication 590A/B, Individual Retirement Accounts (IRAs) from any district office of the Internal Revenue Service or by calling 1-800-TAX-FORM.

## **Filing With the IRS**

Contributions to your IRA must be reported on your tax return (Form 1040 or 1040A, and Form 8606 for nondeductible traditional IRA contributions) for the taxable year contributed. If you are subject to any of the federal penalty taxes due to excess contributions, premature distributions, or missed required minimum distributions, you must file IRS Form 5329.

## **Simplified Employee Pension**

This Disclosure Statement and accompanying Custodial Agreement may be used for an IRA established in connection with a simplified employee pension (SEP). A SEP is a written arrangement that allows your employer to make deductible contributions to a traditional IRA (a SEP IRA) set up for you to receive such contributions. The contribution limits from the employer to a SEP IRA are different and more than the limits for contribution to a traditional IRA from an individual. Generally, distributions from SEP IRAs are subject to the withdrawal and tax rules that apply to traditional IRAs. Your employer is required to provide you with specific information related to the consequences of establishing a SEP IRA. Please reference IRS Publication 560 for more information about SEPs.

Contact Center: (800) 248-8447 | [www.ForgeTrust.com](http://www.ForgeTrust.com)

## **Form 5305-A (Revised April 2017) under section 408(a) of the Internal Revenue Code Department of the Treasury—Internal Revenue Service**

The Depositor whose name appears on the attached application is establishing a traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The custodian, Forge Trust Co. (the "Custodian"), has given the Depositor the disclosure statement required under Regulations section 1.408-6. The Depositor and the Custodian make the following agreement:

### **Article I**

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

### **Article II**

The Depositor's interest in the balance in the custodial account is nonforfeitable.

### **Article III**

- 3.01 No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
- 3.02 No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

### **Article IV**

- 4.01 Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
  - 4.02 The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year end in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in:
    - (a) A single sum or
    - (b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
- 4.03 If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the Depositor dies on or after the required beginning date and:
    - 1) the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(3) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(3) below, over such period.
    - 2) the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(3) below if longer.
    - 3) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
  - (b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (1) below or, if elected or there is no designated beneficiary, in accordance with (2) below
    - 1) The remaining interest will be distributed in accordance with paragraphs (a)(1) and (a)(2) above (but not over the period in paragraph (a)(3), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 73. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(2) above (but not over the period in paragraph (a)(3), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (2) below if there is no such designated beneficiary.
    - 2) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
- 4.04 If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.
- 4.05 The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - (a) The required minimum distribution under paragraph 4.02(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in

Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

- (b) The required minimum distribution under paragraphs 4.03(a) and 4.03(b)(1) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 4.03(b)(1)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9 of the individual specified in such paragraphs 4.03(a) and 4.03(b)(1)).
  - (c) The required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
- 4.06 The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

## Article V

- 5.01 The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.
- 5.02 The Custodian agrees to submit to the Internal Revenue Service and the Depositor the reports prescribed by the IRS.

## Article VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with section 408(a) and the related regulations will be invalid.

## Article VII

This agreement will be amended as necessary to comply with the provisions of the Code and the related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

## Article VIII

- 8.01 **Definitions:** In this part of this Agreement (Article VII), the words "you" and "your" mean the Depositor, the words "we," "us" and "our" mean the Custodian (including its subsidiaries, agents and administrator), "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations. The term "Broker" means the broker-dealer/financial representative selected by you to provide investment services to your Traditional IRA.
- 8.02 **Notices and Change of Address:** Any required notice regarding this Traditional IRA will be considered effective when we mail it to the last address of the intended recipient which we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You must notify us in writing of a change of address.
- 8.03 **Representations and Responsibilities:** You represent and warrant to us that any information you have given or will give us, with respect to this Agreement is accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement and that we are entitled to rely upon such information or directions.

We shall have no duty or responsibility to question any of your directions, review any securities or other property held in the Traditional IRA, or make any suggestions to you with respect to the investment, retention or disposition of any asset held in the Traditional IRA. We are entitled to act upon any instrument, certificate or form we believe is genuine and believe is signed or presented by the proper person or persons and we need not investigate or inquire as to any statement contained in any such document, but may accept it as true and accurate. We will not provide any tax, legal or investment advice.

We shall have no duty to monitor the sufficiency or adequacy of your actions or duties or those of your heirs, successors, agents, or assigns, nor shall we be required to monitor the acts of any paid consultant to whom we may have contractually delegated any duties or responsibilities pursuant to you or your agent's direction.

We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with the Traditional IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings or this Agreement.

- (a) **Rollovers and Tax Consequences** - You are responsible for determining whether a distribution from another Traditional IRA or Qualified Retirement Plan may be rolled over to this Traditional IRA.  
You understand that we do not make any representation or warranty that any rollover contribution will be excludable from income for Federal or State income tax purposes.
  - (b) **Custodial-Account** - We shall maintain a custodial account for your benefit. The custodial account will consist of an interest-bearing account with us and all other investments purchased at your direction. All assets in the custodial account will be registered in our name as custodian or in the name of our nominee. We may, by or through a Broker, or other such firm, hold any securities in bearer form or deposit them with a central clearing corporation or depository approved by the Securities and Exchange Commission; provided that our records show that all such investments are part of the custodial account.
  - (c) **Custodian's Reservation of Rights** - Notwithstanding any other provision of this Article VIII, we reserve the right to refuse to follow any investment direction by you which we determine violates any Federal or State Law.
- 8.04 **Service Fees:** We have the right to charge an annual service fee or other designated fees (for example, a transfer, rollover, transaction, or termination fee) for maintaining this Traditional IRA. In addition, we have the right to be reimbursed or reserve funds for all reasonable expenses we incur in connection with the administration of the Traditional IRA. For more information on our fees, please refer to section 8.05(c) and (k) and the current separate Schedule of Fees. Any brokerage commissions attributable to the assets in the Traditional IRA will be charged to the Traditional IRA. You cannot reimburse the Traditional IRA for those commissions. If a third-party has agreed to pay the fees associated with your Traditional IRA and such third-party fails to pay such fees timely, you acknowledge that you are responsible to pay all fees then due on the account and going forward.

- 8.05 **Your Investment Powers and Our Custodial Powers/Rights**

- (a) **Investment of Traditional IRA** - Subject to Section 7.05(f) and Section 7.05(m), you have sole authority and discretion, fully and completely, to select and to direct the investment of all assets in the Traditional IRA. You accept full and sole responsibility for the success or failure of any selection made. We shall have no discretion to direct any investment in the Traditional IRA. We will not act as investment advisor or counselor to you and will not advise you or offer any opinion or judgment on any matter pertaining to the nature, value, potential value or suitability of any investment or potential investment of the assets of the Traditional IRA, and are merely authorized to acquire and hold the particular investments specified by you. We shall not have any responsibility nor any liability for any loss of income or of capital, nor for any unusual expense which we may incur, relating to any investment, or to the sale or exchange of any asset which you or your authorized agent directs us to make.

After your death, your beneficiary(ies) shall have the right to direct the investment of the Traditional IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 8.03 and 8.05). All transactions shall be subject to any and all applicable Federal and State laws and regulations and the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed and to our policies and practices.

- (b) **Limitation of Investment Powers** - We, as Custodian of the Traditional IRA assets entrusted to us under the Traditional IRA, shall not commingle the Traditional IRA with any other property we hold except in a common trust fund or common investment fund, although as noted below in section 7.05(d) we will hold your publicly traded securities in an omnibus account with the designated broker for those securities. We retain the power to take such actions as are reasonable and necessary to carry out our duties under the Traditional IRA. We are under no duty to take any action other than as specified under this Agreement unless you provide us with instructions and agree to indemnify and hold us harmless from any claims arising out such instructions. Subject to the rules imposed by us, and subject to investment directions given by you or your authorized agent, we are authorized and empowered, but not by way of limitation, with the following powers and rights:

- 1) To hold or invest any part or all of the Traditional IRA in any asset permissible under law as an investment for an individual retirement account;
- 2) To manage, sell, contract to sell, grant options to purchase, convey, petition, divide, subdivide, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Traditional IRA, and otherwise deal with all property, real or personal, in such manner for such considerations and on such terms and conditions as are in accordance with the written direction we receive;
- 3) To borrow money, to lend money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;
- 4) To retain in cash so much of the Traditional IRA assets as you or your authorized agent direct, or pending other instructions from you or your authorized agent and take such actions as described in Section 8.05(k);
- 5) To transfer all or any part of the Traditional IRA funds from one type of savings instrument offered by us to another type of savings instrument offered by us, to the extent permitted by the applicable governmental regulations and our procedures;
- 6) To purchase and to hold annuity contracts and exercise all rights of ownership of the contracts; and
- 7) To make, execute and deliver as Custodian contracts, waivers, releases or other written instruments necessary to exercise the powers enumerated above.

(c) **Custodian's Powers - We shall have the power:**

- 1) To hold any securities or other property in the Traditional IRA in the name of the Custodian or its nominee, or in another form as we may deem best, with or without disclosing the custodial relationship;
- 2) To appoint an affiliated or unaffiliated sub-custodian to hold some or all of the securities or other property in the Traditional IRA, provided however, and subject to the liability limitation in Section 8.16 below, that the appointment of any sub-custodian shall not relieve the Custodian of its obligations to the Depositor under this Agreement.
- 3) To retain any funds or property subject to any dispute without liability for the payment of interest and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes final adjudication.
- 4) To charge against and pay from the Traditional IRA all taxes of any nature levied, assessed, or imposed upon the Traditional IRA, and to pay all reasonable expenses and attorney fees which may be necessarily incurred by us with respect to the Traditional IRA;
- 5) To file any tax or information return required of us, and to pay any tax, interest or penalty associated with any such tax return;
- 6) To act pursuant to written blanket settlement authorization given by you on transactions executed by your designated agent. We are authorized to honor all trade confirmations received from such agent;
- 7) To furnish or cause to be furnished to you an annual calendar year report concerning the status of the Traditional IRA, including a statement of the assets of the Traditional IRA held at the end of the calendar year;
- 8) To begin, maintain or defend any litigation necessary in connection with the administration of the Traditional IRA, except that we shall not be obliged or required to do so unless indemnified to our satisfaction, including, without limitation, payment of such expenses out of Traditional IRA assets;
- 9) To exercise the voting rights and other shareholder rights with respect to securities in the Traditional IRA but only in accordance with the instructions you give to us;
- 10) To employ and pay from the Traditional IRA reasonable compensation to agents, attorneys, accountants and other professional persons for advice that in our opinion may be necessary. We may delegate to any agent, attorney, accountant and other persons selected by us any power or duty vested in us by this Agreement; and
- 11) To charge you separately for any fees or expenses or deduct the amount of the fees or expenses from the assets in the Traditional IRA at our discretion. We are also entitled to be reimbursed for any taxes and other expenses we assume or incur on behalf of your account. Our right to compensation and reimbursement from the account shall constitute a first prior lien against your account. We have the right to change our fee upon 30 days notice to you. We are authorized to liquidate assets of the Traditional IRA for any unpaid fee balance and can, at our discretion, require you to retain uninvested cash in the Traditional IRA in an amount not less than one year's annual fees and termination fees and not more than \$1,000. The choice of the selling broker and assets to be sold shall be at our sole discretion. Should fees or expenses not be collected, we shall have the option to cease performing any functions, including, but not limited to, processing investment transactions until such time as all fees and expenses charged against the account are fully paid.

In addition, the Custodian may receive commissions, 12(b)1 fees, sub-transfer agent fees, marketing fees and other types of compensation from various entities (including without limitation, entities in which the Traditional IRA invests) relating to investments held in the Traditional IRA which may, or may not, be directly or indirectly distributed, allocated or otherwise paid to or retained by third-parties providing services with respect to

your Traditional IRA.

- (d) **Publicly-Traded Securities** - If publicly-traded securities are to be included in the specified investments, orders shall be executed through a securities broker-dealer registered under the Securities Exchange Act of 1934. The Custodian may designate one or more such broker-dealers for trade execution and for the holding of publicly-traded securities. For operational reasons, the Custodian currently maintains, and is likely in the future to maintain, accounts with a limited number of broker-dealers. Those broker-dealers are selected by the Custodian in its own discretion. There is no commitment that the commission rates or transaction fees charged for purchase and sale transactions by broker-dealers selected by the Custodian will be the best available commission or fees available in the market. Any brokerage account maintained in connection herewith shall be in our name as the Custodian of your account.

We shall be authorized to honor transactions within the brokerage account without obligation to verify prior authorization of same by you. Any cash received by the brokerage account, whether as income or proceeds of transactions, may be held by the brokerage account pending directions, and we shall have no obligation to direct the broker to remit such cash until directed to do so by you, but may receive remittances without direction if the same are made by the broker. Investments outside the brokerage account shall be made in accordance with the other provisions of this Article.

Investment directions may be given by you directly to the designated broker (in such manner as the broker may require) and the broker shall be responsible for the execution of such orders.

When securities are purchased within your brokerage account requiring that funds be remitted by us to make settlement, you agree to telephonically notify us or instruct your broker or agent to telephonically notify us on the trade date of the pending securities transaction, and to request delivery of the Traditional IRA account assets necessary to settle the trade. You agree to hold us harmless for any losses resulting from your failure to notify us of the pending trade and request for settlement in the above-prescribed manner.

- (e) **Alternative Investments** - You may, at your discretion, direct us to purchase "alternative" investments which shall include, but not be limited to, investments which are individually negotiated by you or your agent, or part of a private placement of securities offered in reliance upon exemptions provided by Sections 3(B) and 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder. It is your sole responsibility to determine whether or not your selected investment(s) is required to be registered as a security with any applicable federal and/or state regulatory authority. We reserve the right to not follow such direction or process such investment(s) for administrative reasons. Such action should not be construed as investment advice or an opinion by us as to the investment's prudence or viability. If you or your agent should direct us to purchase an alternative investment, as defined above, the following special certifications and provisions shall apply:

- 1) You agree to submit or cause to be submitted all offering documentation related to the alternative investment for an administrative review by us, if so requested. We reserve the right to charge a reasonable fee for such administrative review.
- 2) If the alternative investment(s) contains a provision for future contractual payments or assessments, including margin calls, you acknowledge that such payments shall be borne solely by the Traditional IRA account, that authorization to make such payments shall come from you or your agent, and that making such payments may reduce or exhaust the value of the Traditional IRA account. You further agree to maintain sufficient liquid funds in the Traditional IRA account to cover any such payments or assessments, and agree that we are not responsible for monitoring the balance of the account to verify compliance with this Section
- 3) If the alternative investment(s) contain administrative and/or management requirements or duties beyond our capabilities or expertise to provide, then you agree to seek out suitable agents or counsel necessary to perform such duties and deliver a written service agreement acceptable to us for execution on behalf of the Traditional IRA account.
- 4) You attest that assets to be transferred into the account do not include any illegal or impermissible investments under South Dakota or federal law, including, but not limited to, marijuana-related holdings or holdings related to illegal substances, illegal gambling, or illegal artifacts. You further confirm that the account will not hold or engage in transactions involving illegal holdings, and should the account ever come to hold an illegal or impermissible investment under South Dakota or federal law, you will immediately notify the Custodian. If we identify assets in the account as illegal, we will require that you transfer the assets and/or we will resign from the account, and if necessary, file corresponding Suspicious Activity Reports (SAR).
- 5) If you direct us to enter into an individually-negotiated debt instrument, including a promissory note, deed of trust, real estate contract, mortgage note or debenture, we strongly encourage you retain the services of a third-party agent pursuant to a note servicing agent agreement, on a form acceptable to us. The note servicing agent shall be your agent and not ours, and shall be responsible for administering the terms of the debt instrument on behalf of the Traditional IRA account. Should the note servicing agent ever become unwilling or unable to perform the duties outlined in the note servicing agent agreement, then you understand and agree that all duties of the note servicing agent shall revert to you until a successor agent is named. We will not act as a note servicing agent, including monitoring your account to ensure receipt of note payments, notify you in the event of default, prepare or compute payoff balances, or prepare or file Form 1098.
- 6) We are responsible for safekeeping only those documents which you or your agent deliver to us.
- 7) You agree to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bring any other suits or actions which may become necessary to protect the rights of the account as a result of the operation or administration of the investment(s).
- 8) Once you or your agent authorize funds to be distributed from your account for purposes of investment, you agree to be responsible for the following:
  - a) verifying that the individual or investment company that you selected placed your funds into the proper investment;
  - b) obtaining the necessary documentation from the individual or investment company to verify that the funds were correctly invested, including, but not limited to, shares or units, proper recordation, loan to value ratio, etc.; and
  - c) sending the original documentation evidencing the investment to us or, in the case of a promissory note investment, to a third party servicing agent. We will not monitor the account to ensure receipt of such documentation and will rely solely on you to provide this information.

- (f) **Delegation of Investment Responsibility** - We may, but are not required to, permit you to delegate investment responsibility for the Traditional IRA to another party. On a form or format acceptable to us, you may designate a representative for the purpose of communicating investment directions to us and receiving information from us regarding your account. Said representative may be a registered representative of a broker-dealer organization, a financial advisor or other person as may be acceptable to you. Such person shall be your authorized agent, and not ours. We shall construe any and all investment directions given by such person, whether written or oral, as having been authorized by you. You may appoint and/or remove such a person only by written notice to us provided that their removal shall not have the effect of canceling any notice, instruction, direction or approval received by us from the removed person before we receive notice of removal from you. We shall follow the proper written direction of any such party who is properly appointed, and we shall be under no duty to review or question, nor shall we be responsible for, any of that party's directions, actions or failures to act. That party's instructions to us shall be deemed to be instructions by you for all purposes of this Article VIII.

- (g) **Authorization** - On a form or in a format acceptable to us, you may authorize us to accept written, verbal, fax, e-mail and other means of

communication for investment directions from you or your designated representative. You agree that we are not responsible for verifying the propriety of any investment direction and that we are not responsible for unauthorized trades in your account that may be affected under this Section.

- (h) **Valuation of Assets** - We shall update values on assets upon receipt of valuation information from various outside sources. Valuation updates shall be submitted at least annually. However, we do not guarantee the accuracy of prices obtained from quotation services, independent appraisal services, investment sponsors, or parties related thereto or other outside sources. Values for investment accounts held by third parties shall be equal to the total equity value of the account and shall reflect only those assets that are priced by the investment firm. Valuation of individual assets held within your investment account such as stocks, bonds, Exchange-Traded Products (ETPs), foreign exchange, commodity exchange, etc., may not be listed individually on our statements, but can be obtained directly from your investment account statement.

In reporting values for the assets held in custodial accounts, we use reasonable, good faith efforts to ascertain the fair market value of each asset. For those custodial assets where value is readily ascertainable on either an established exchange or generally recognized market, we will report values for such assets as derived from sources commonly used by the financial services industry to determine prices of financial instruments. For those custodial assets where, fair market value is not readily ascertainable, you agree that you will provide to us a qualified valuation of the asset. If you do not provide such a qualified valuation, we may report the asset's value at its last known fair market value or at its acquisition cost. If you do not provide this information, we may require you to remove the asset from your account by transfer or distribution. If you do not remove the asset from your account as directed, we may distribute the asset to you at the last reported value or resign and distribute the entire account to you.

For all custodial assets, we neither provide a guarantee of value nor an opinion regarding any independent appraisal provided by you, and we assume no responsibility for the valuations reported. You acknowledge and agree that any valuation reported is not necessarily a true market value, may be merely an estimate of value and should not be relied upon by you for any other purpose.

If you do not object in writing within 60 days after an account statement has been provided to you, you are deemed to have approved the account statement, and Custodian, absent its fraud, intentional misrepresentation or material omission, is released and discharged from any and all liability as to all matters set forth in the account statement.

- (i) **Unrelated Business Taxable Income** - Certain investments may generate taxable income within the Traditional IRA account. This is referred to as Unrelated Business Taxable Income (UBTI). Such income must be considered in conjunction with all such income from all the Traditional IRA accounts and may be taxable to your account(s) to the extent that all UBTI for a given taxable year exceeds the threshold amount set by the IRS.). In such instances, the IRS requires that a Form 990-T be filed for the Traditional IRA account along with the appropriate amount of tax. We do not monitor the amount of UBTI in the Traditional IRA account with us and do not prepare Form 990-T. Therefore, you must monitor UBTI for this and any other Traditional IRA account which you may hold and prepare, or have prepared, the proper 990-T tax form and forward it to us, along with authorization to pay any tax due from the Traditional IRA account.
- (j) **Life Insurance and Collectible** - You may not direct the purchase of a life insurance contract or a "collectible" as defined in Code Section 4011(m).
- (k) **Cash Assets** - The Depositor will receive a custodial cash rate on uninvested cash assets that will vary from time to time and shall be set by the Custodian's Board of Directors or its delegatee, in its discretion, at least annually. This amount will be paid monthly, and only to Depositors that have accounts as of the last day of any month. By choosing to leave cash uninvested, the Depositor shall be deemed to have agreed to the custodial cash rate and to Custodian's receipt of the income attributable to the uninvested cash. The custodial cash rate determined by the Custodian may be less than what the Depositor could obtain for a direct cash deposit with the depository institution or direct investment. The Custodian is under no obligation to maximize the custodial cash rate on uninvested cash. Further, the cash administration fee retained or earned by the Custodian may be greater than the custodial cash rate that the Depositor will receive on any uninvested cash. Depositor may confirm the custodial cash rate applicable to Depositor's account by referring to Depositor's account statement or by going to <https://app.forgetrust.com/client-portal/>. Depositor will be notified via the website at least 30 days' before the custodial cash rate is changed.

We will ordinarily perform sub-accounting and administrative functions related to the management of uninvested cash with a depository institution or in other savings instruments. Consistent with its authority under Section 8.05(b)(4) above, the Custodian will hold uninvested cash in an account or product of a financial institution or other United States Government security, or security that is guaranteed by the United States government, and other cash equivalent products, to such income attributable to uninvested cash (if any) as a custodial fee. For these sub-accounting and administration services, we will be entitled to (i) retain the interest earned on deposited cash. This is in addition to the fees and charges reflected on the most recent fee schedule.

- 8.06 **Beneficiary(ies)**: If you die before you receive all of the amounts in your Traditional IRA, payments from your Traditional IRA will be made to your beneficiary(ies).

You may designate one or more persons or entities as beneficiary of your Traditional IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime or after as provided by law. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary(ies) shall not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your Traditional IRA.

A spouse beneficiary shall have all rights as granted under the Code or applicable Regulations to treat your IRA as his or her own.

We may allow, if permitted by state law, an original IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited IRA at the time of your death) to name a successor beneficiary(ies) for the inherited IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original IRA beneficiary's(ies) lifetime or after as provided by law. Unless otherwise specified, each beneficiary designation form that the original IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original IRA beneficiary.

If no beneficiary is designated by you at account opening or thereafter, upon your death, the distribution of the amounts in your Traditional IRA will be made in the following order: first to your spouse, second, if no spouse is then alive, to your then living children divided equally among such children, third, if no spouse or children are then living, to your estate.

- 8.07 **Termination**: Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as Custodian at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer the Traditional IRA to another financial organization. If you do not complete a transfer of the Traditional IRA within 30 days from the date we mail the notice to you, we have the right to transfer the Traditional IRA assets to a successor Traditional IRA Custodian or Trustee that we choose in our sole discretion or we may assign the

entire Traditional IRA to you as a full distribution. We shall not be liable for any actions or failures to act on the part of the successor Custodian or Trustee nor for tax consequences you may incur that result from the transfer or distribution of the Traditional IRA assets pursuant to this section.

If this Agreement is terminated, we may hold back from the Traditional IRA a reasonable amount of money which we believe is necessary to cover any one

or more of the following:

- (a) any fees, expenses or taxes chargeable against the Traditional IRA;
- (b) any penalties associated with the early withdrawal of any savings instrument or other investment in the Traditional IRA.

If our organization is merged with another organization (or comes under the control of any Federal or State agency) or if our entire organization (or any portion which includes the Traditional IRA) is bought by another organization, that organization (or agency) shall automatically become the Trustee or Custodian of the Traditional IRA, but only if it is the type of organization authorized to serve as a Traditional IRA Trustee or Custodian.

If we are required to comply with Section 1.408-2(e) of the Treasury Regulations and we fail to do so, or we are not keeping the records, making the returns or sending the statements as are required by forms or Regulations, the IRS may, after notifying you, require that a substitute Trustee or Custodian be appointed.

**8.08 Amendments:** We have the right to amend this Agreement at any time and we will amend this Agreement as necessary to comply with the provisions of the Code and other applicable government regulations. We may charge a fee for IRS mandated amendments. Any amendment we make to comply with the Code and other applicable regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent. Depositor may not seek to amend this Agreement without our prior written consent. The provisions of Section 8.08 remain subject to the provisions of Article VII above.

**8.09 Withdrawals:** All requests for withdrawal shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution.

**8.10 Required Minimum Distributions:** You may make an election to begin receiving payments from your IRA in a manner that satisfies the required minimum distribution rules no later than April 1st of the year following the year you reach age 73 (this is called the "required beginning date") or your applicable earlier required beginning date. If you fail to make such an election by your required beginning date, we can, at our complete and sole discretion, do any one of the following:

- (a) make no payment until you give us a proper payment request;
- (b) pay your entire IRA to you in a single sum payment or distribution in kind; or
- (c) calculate your required minimum distribution each year for your IRA based on an IRS approved method and pay those distributions to you until you direct otherwise.

We will not be liable for any penalties or taxes related to your failure to take a distribution.

**8.11 Transfers From Other Plans:** We can receive amounts transferred to the Traditional IRA from the custodian or trustee of another Traditional IRA. We reserve the right not to accept any transfer or rollover.

**8.12 Liquidation of Assets:** We have the right to liquidate assets in the Traditional IRA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Traditional IRA. If you fail to direct us as to which assets to liquidate, we will decide in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.

**8.13 Restrictions On The Account:** Neither you nor any beneficiary may sell, transfer or pledge any interest in the Traditional IRA in any manner whatsoever, except as provided by law or this Agreement.

The assets in the Traditional IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.

**8.14 What Law Applies:** -- This Agreement is subject to all applicable Federal and State laws and regulations. If it is necessary to apply any State law to interpret and administer this Agreement, the law of the state of South Dakota shall govern.

If any part of this Agreement is determined by a court of competent jurisdiction to be invalid, the remaining parts shall not be affected. Neither you nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or the parties' right thereafter to enforce each and every such provision. These rights and liabilities are continuous, covering individually and collectively, all accounts you may open with us or our agent for the same Traditional IRA, and inure to the benefit of us, our successors or assigns and are binding on you and your heirs, successors or assigns.

**8.15 Indemnity of Custodian:** To the extent not prohibited by Federal or State law, you agree to indemnify, defend and hold the Custodian, its subsidiaries and administrator (including their officers, agents and employees) harmless against and from any and all claims, demands, liabilities, costs and expenses (including reasonable attorneys' fees and expenses), arising in connection with this agreement, except those caused by (A) any gross negligence by the Custodian, its subsidiaries and administrator (including its officers, agents and employees), or (B) any material breach by the Custodian, its subsidiaries and administrator (including their officers, agents and employees) of any responsibilities under this Agreement. You further agree to pay for the defense of the Custodian, its subsidiaries and administrator (including their officers, agents and employees) by independent counsel of the Custodian's choice against any such claims, demands, liabilities or costs referred to in the preceding sentence.

You agree to indemnify, defend and hold the Custodian, its subsidiaries and administrator (including their officers, agents and employees) harmless against and from any and all payments or assessments which may result from holding any publicly-traded security or alternative investment within the Traditional IRA account, and further agree that the Custodian, its subsidiaries and administrator (including their officers, agents and employees) shall be under no obligation whatsoever to extend credit or otherwise disburse payment beyond the cash balance of your account for any payment or assessment related to such investment(s).

**8.16 Liability for Acts of Third Parties:** The Custodian shall not be liable for losses (including all claims, demands, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) suffered by the Traditional IRA resulting from the acts or failure to act by third-party services providers, including but not limited to affiliated or unaffiliated sub-custodians and broker-dealers selected by the Custodian to provide services to the Traditional IRA except to the extent that the Custodian was grossly negligent in the selection and retention of such service providers.

**8.17 Adverse Claims:** If we receive any claim to the assets held in the Traditional IRA which is adverse to your interest or the interest of your beneficiary, and we in our absolute discretion decide that the claim is, or may be, meritorious, we may withhold distribution until the claim is resolved or until instructed by a court of competent jurisdiction. As an alternative, we may deposit all or any portion of the assets in the Traditional IRA into the court through a motion of interpleader. Deposit with the court shall relieve us of any further obligation with respect to the assets deposited.

We have the right to be reimbursed from the funds deposited for our legal fees and costs incurred.

**8.18 Account Not Guaranteed:** We do not guarantee the Traditional IRA account from loss or depreciation. Our liability to make payment to you at any time and all times is limited to the available assets of the account.

- 8.19 **Arbitration:** Any controversy (i) arising out of or relating to this Agreement or the breach thereof, or to the Traditional IRA or any transactions authorized by you and/or your agent, or (ii) as to the arbitrability of such a controversy, shall be settled by arbitration in Minnehaha County, South Dakota, according to the rules of The American Arbitration Association. Arbitration is final and binding on the parties, and judgment upon any award rendered by the arbitrators may be entered in any court of competent jurisdiction. The parties are waiving their right to seek remedies in court, including the right to jury trial. The pre-arbitration discovery is generally more limited than and different from court proceedings.
- 8.20 **Attorneys' Fees**
- (a) If a party files suit instead of arbitrating a controversy as required by this Agreement or fails to proceed with arbitration, the other party is entitled to reasonable attorneys' fee for having to compel arbitration.
  - (b) If either party to this Agreement commences any legal action, suit, counterclaim, appeal, arbitration, or other proceeding (an "Action") against the other party to this Agreement to enforce or interpret any of the terms of this Agreement, because of an alleged breach, default, or misrepresentation in connection with any of the terms of this Agreement, or because of a claim arising out of the terms of this Agreement, the losing or defaulting party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such Action.
  - (c) If the prevailing party shall obtain a judgment in its favor arising out of any Action against the other party to this Agreement, the party against whom such judgment is rendered shall pay to the prevailing party the attorneys' fees incurred by the prevailing party in the collection or enforcement of such judgment. The provisions of this paragraph (b) shall be severable from the other provisions of this Agreement, shall survive any judgment, and shall not be deemed merged into such judgment.
- 8.21 **Custodian's Affiliation:** Forge Trust Co. is wholly owned by Forge Services, Inc., which is wholly owned by Forge Global, Inc. Forge Global, Inc. is wholly owned by the public company Forge Global Holdings, Inc. (NYSE: FRGE).

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

Contact Center: (800) 248-8447 | [www.ForgeTrust.com](http://www.ForgeTrust.com)

The following information is the Disclosure Statement required by federal tax regulations. You should read this Disclosure Statement and the Custodial Account Agreement for the Individual Retirement Accounts ("IRA"). The rules governing IRAs are subject to change. The contribution limit information is based on federal law as stated in the Internal Revenue Code, and is believed to be accurate as of January 1, 2024. However, eligibility to contribute is dependent on your tax filing status and personal situation. Please consult a tax advisor concerning your specific contribution eligibility, and any applicable state laws which may differ from federal law.

You should consult Internal Revenue Service ("IRS") Publication 590-A/B or the IRS web site [www.irs.gov](http://www.irs.gov) for updated rules and requirements. You should also consult with a tax advisor concerning the tax rules that apply to your specific situation.

## **Important Information About U.S. Government Requirements That May Affect Your Account**

Forge Trust Co., ("we" or "us"), provides custodial and administrative services for your retirement or savings account. As a result of this role, persons who open a retirement or savings account are considered 'customers' of Forge Trust Co. ("you" or "your").

To help the U.S. Government fight the funding of terrorism and money laundering activities, Federal law requires Forge Trust Co., as a non-depository trust company regulated by the State of South Dakota Division of Banking, to obtain, verify, and record information that identifies each person who opens an account. All accounts we open are opened on a conditional basis — conditioned on our ability to verify your identity in accordance with Federal law.

When establishing an account, you are required to provide your full legal name, address, government issued identification number (e.g. social security number), date of birth, and other information within your account-opening application that will allow us to identify you. We may also request a copy of your driver's license or other identifying documents and may consult third-party databases to help verify your identity. If the account you are opening will be registered in the name of a beneficiary, trust, or estate or charity, we may require additional identifying documentation.

**If you fail to provide any requested identifying information or documentation when opening your account, your new account application may be rejected.**

**If we open your account, and you subsequently fail to provide all identification materials we request or if we are subsequently unable to adequately verify your identity as required by U.S. Government regulations, we reserve the right to take any one or more of the following actions:**

- We may place restrictions on your account which block all purchase and investment transactions and we may place additional restrictions on your account blocking other transactional activities if we determine such additional restrictions are appropriate under Federal law or regulation.
- We may close your account, sell (i.e., "liquidate") the assets in your account in the prevailing market at the time, and send you a check representing the cash proceeds of your account or we may transfer all your assets in kind to your name. This distribution will be reported to the Internal Revenue Service and may result in negative tax consequences to you under Federal and state tax laws.

## **You May Incur Losses**

Despite being opened as a conditional account, your account will be invested as you instruct and you will be subject to all market risks during the period between account opening and any liquidation necessitated by your failure to furnish requested identifying information or by an inability to adequately verify your identity. You may also be subject to additional market risks if the additional transactional restrictions discussed above are placed on your account. In addition, the closing of your account may subject you to fees and charges imposed by a sponsor, issuer, depository or other person or entity associated with one or more of the assets in which you are invested, and any sales charges you may have paid in connection with your purchases will not be refunded.

## **You Assume All Responsibility For These Losses**

Forge Trust Co. expressly disclaims any responsibility or liability for losses you incur as result of your failure to furnish identification materials we request, including investment losses and any other loss or damage (including but not limited to lost opportunities and adverse tax consequences). If you proceed with the account opening process, you accept all risks of loss resulting from any failure of yours to furnish the identification materials we request or from a subsequent inability to adequately verify your identity in accordance with Federal law or regulation.

## **State Unclaimed Property Law Disclosure**

The assets in your custodial account are subject to state unclaimed property laws which provide that if no activity occurs in your account within the time period specified by state law, your assets must be transferred to the state, based on your primary residence. We are required by law to advise you that your assets may be subject to escheatment in compliance with these laws.

## **Revocation of Your IRA**

You have the right to revoke your IRA and receive the entire amount of your initial investment by notifying the Custodian in writing within seven (7) days of establishing your IRA (account open date). If you revoke your IRA within seven days, you are entitled to a return of the entire amount of the contributions or the actual property, without adjustment for such items as administrative expenses. If you decide to revoke your IRA, notice should be delivered or mailed to the address listed in the application instructions. This notice should be signed by you and include the following:

1. The date.
2. A statement that you elect to revoke your IRA.
3. Your IRA account number.
4. The date your IRA was established.
5. Your signature and your name printed or typed.

Mailed notice will be deemed given on the date that it is postmarked, if it is properly addressed and deposited either in the United States mail, first class postage prepaid, or with an IRS approved overnight service. This means that when you mail your notice, it must be postmarked on or before the seventh day after your IRA was opened. A revoked IRA will be reported to the IRS and the Depositor on IRS Forms 1099-R and 5498.

## Contributions

The maximum allowable contribution to your individual retirement accounts (deductible, non-deductible, and Roth) for each tax year is the lesser of (a) \$7,000 or (b) 100% of your compensation or earnings from self-employment. For years after 2024, consult IRS Publication 590-A or irs.gov for current contribution limits.

### Age 50 or Above Catch-Up Contributions

For those who have attained the age of 50 before the close of the taxable year, the annual IRA contribution limit is increased by \$1,000.

The above limits may be subject to Internal Revenue Service (“IRS”) cost-of-living adjustments, if any. Please consult IRS Publication 590-A or irs.gov for current contribution limits. Please read the Roth Individual Retirement Account (IRA) Disclosure Statement carefully or consult IRS Publication 590A/B or a qualified tax professional for more information about eligibility requirements and contribution restrictions.

Making an IRA contribution on behalf of your spouse — If you have earned compensation, are married and file a joint federal income tax return, you may make an IRA contribution on behalf of your working or nonworking spouse. The total annual contribution limit for both IRAs may not exceed the lesser of the combined compensation of both spouses or the annual IRA contribution limits as set forth by the IRS. Contributions made on behalf of a spouse must be made to a separate IRA account established by your spouse. More information about eligibility requirements and contribution restrictions can be found in IRS Publication 590A/B.

**Rollover Contributions.** You may also make a rollover contribution to your account of certain distributions from eligible employer-sponsored retirement plans (such as a 401(k) or 403(b) plan).

Any contribution made to your IRA will be treated as a contribution for the year it is received, unless the contribution is made between January 1 and the April 15th postmark deadline and you have identified the contribution as a prior year contribution.

### Description of Available Options For Your Contributions

The assets in your custodial account will be invested in accordance with instructions communicated by you (or following your death, by your beneficiary) or by your (or following your death, your beneficiary's) authorized agent. Account contributions are eligible for investment under section 408(a) of the Internal Revenue Code that are acceptable to the Custodian as investments under the Individual Retirement Account (IRA) Application and Agreement. Forge Trust Co. does not recommend any particular investment or asset class, nor do we perform due diligence or determine the suitability of any investment or asset category for our account holders and your investments are neither guaranteed nor protected.

### Fees and Charges

There is a custodial maintenance fee for each IRA account and asset held per calendar quarter. The Custodian may also charge other fees in connection with any transaction, distribution or activity within your IRA. Please refer to the current fee schedule.

## ROTH INDIVIDUAL RETIREMENT ACCOUNT DISCLOSURE

You have opened a Roth Individual Retirement Account (Roth IRA), which is an account for the exclusive benefit of you and your beneficiaries, created by a written instrument (the Custodial Account Agreement). The following requirements apply to your Roth IRA:

1. Contributions, transfers and rollovers may be made only in “cash” by check, draft, or other form acceptable to the Custodian.
2. The Custodian must be a bank, trust company, savings and loan association, credit union or a person who is approved to act in such capacity by the Secretary of the Treasury.
3. No part may be invested in life insurance contracts.
4. Your interest must be nonforfeitable.
5. The assets of the custodial account may not be mixed with other property except in a common investment fund.
6. There is no age limit on contributions as long as you have earned income.
7. Your adjusted gross income must be within the eligibility limits (see IRS Publication 590A/B for current year limits).
8. There are no mandatory withdrawals during your lifetime.

### Roth IRA Eligibility

You are permitted to make a regular contribution to your Roth IRA for any taxable year, if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and “earned income” in the case of self-employment.

Contributions can continue to be made to a Roth IRA after you attain age 73 as long as the requirements of earned income are met.

There is a phase-out of eligibility to make a Roth IRA contribution if your adjusted gross income is between certain levels. These limits may be adjusted from time to time by the Internal Revenue Service, please refer to IRS Publication 590A/B for current year limits.

### Roth IRA Income Tax Deduction

Your contribution to a Roth IRA is not deductible on your federal income tax return.

## Roth IRA Rollovers

If a Roth IRA distribution is rolled over (i.e. deposited into another Roth IRA within 60 calendar days of the date of receipt), the amount rolled over is not taxable. The IRS strictly enforces the 60-day time limit. Rollovers from a Roth IRA to a Coverdell ESA, traditional, SEP or SIMPLE IRA are not permitted. If you make a tax-free rollover of any part of a distribution from a Roth IRA, you cannot, within a 1-year period, make a tax-free rollover of any later distribution from that same Roth IRA or, from the Roth IRA into which you made the tax-free rollover.

## Rollover From a Designated Roth Contribution Account Under an Employer-Sponsored Plan Into a Roth IRA

Amounts attributable to a participant's designated Roth contribution account under an employer's 401(k) plan or 403(b) plan are eligible to roll over into a Roth IRA as either a direct rollover or a 60-day rollover. Once the amount is rolled over to a Roth IRA it may not be rolled back to an employer's plan. The rules regarding designated Roth rollovers to Roth IRAs are complex and you should consult IRS Publication 590A/B or a tax advisor prior to initiating a designated Roth rollover.

## Military Death Gratuities and Service Members Group Life Insurance (SGLI) Payment Rollovers

If you received a military death gratuity or SGLI payment, you may contribute all or part of the amount received to your Roth IRA or to a Coverdell Education Savings Account (Coverdell ESA). The contribution is treated as a rollover, except that this type of rollover does not count when figuring the annual limit on the number of rollovers allowed. The amount you can contribute to a Roth IRA or Coverdell ESA under this provision cannot exceed the total amount of such payments that you received because of the death of a person reduced by any part of the amount so received that you have already contributed to a Roth IRA or Coverdell ESA.

## Roth Conversions

You may convert a traditional, SEP, or SIMPLE (after the required two year holding period) IRA into a Roth.

If a distribution is converted from a traditional IRA and is deposited to your Roth IRA within 60 calendar days of receipt, the amount of the conversion distribution will be taxed as ordinary income, except the amount of any distribution from the traditional IRA which represents the return of non-deductible contributions is not taxed. The IRS enforces the 60-day time limit strictly. You may not convert any portion of a required minimum distribution (RMD). The 10% penalty for distributions under age 59½ will not apply to the amount converted if held in your Roth IRA for at least five years and certain other criteria are met. See the section titled "Taxation of Roth IRA Distributions". Your traditional IRA may be converted to a Roth IRA by means of an in-house direct transfer (within the same financial institution) or as a direct transfer between two different financial institutions.

A conversion is reported as a distribution from your traditional IRA (IRS Form 1099-R) and a conversion contribution to your Roth IRA (IRS Form 5498). The rule regarding conversions to Roth IRAs are complex and you should consult a professional tax advisor prior to a conversion. You will generally need to make provision for payment of taxes (including any required estimated taxes) due upon conversion of your Roth IRA from other assets.

## Employer-Sponsored Plan Conversions to a Roth IRA

Conversion rollovers from employer-sponsored plans, such as qualified plans and 403(b) plans, to a Roth IRA are permitted.

## Recharacterizing a Roth IRA Contribution

All or part of a contribution you make to your Roth IRA, along with any allocable earnings or losses, may be recharacterized and treated as if made to your traditional IRA on the date the contribution was originally made to your Roth IRA. All or part of a contribution you make to your traditional IRA may be recharacterized and treated as if made to your Roth IRA on the date the contribution was originally made to your traditional IRA. Recharacterization of a contribution is irrevocable and must be completed on or before the due date, including extensions, for filing your federal income tax return for the tax year for which the contribution was originally made. Please refer to IRS Publication 590A/B for more information.

A recharacterized contribution is reported as a distribution from the first IRA (IRS Form 1099-R) and a recharacterization contribution to the second IRA (IRS Form 5498) for the tax year in which the recharacterization occurs. The rules regarding recharacterization are complex and you should consult a professional tax advisor prior to any recharacterization. A recharacterization form is available from the Custodian and should be used for all recharacterization requests.

## Excess Contributions

Amounts contributed to your Roth IRA in excess of the allowable limit will be subject to a non-deductible excise tax of 6% for each year until the excess is used up (as an allowable contribution in a subsequent year) or returned to you. The 6% excise tax on excess contributions will not apply if the excess contribution and earnings allocable to it are distributed by your federal income tax return due date, including extensions. If such a distribution is made, only the earnings are considered taxable income for the tax year in which the excess was contributed to the IRA. An IRS Form 1099-R will be issued for the year in which the distribution occurred, not the year in which the excess contribution was made. Consult IRS Publication 590A/B for more information pertaining to excess contributions. If you make an excess contribution to your Roth IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess that remains in your account.

Earnings will be removed with the excess contribution if corrected before your federal income tax return due date (including extensions), pursuant to Internal Revenue Code Section 408(d)(4) and IRS Publication 590A/B. If you are subject to a federal penalty tax due to an excess contribution, you must file IRS Form 5329.

For the purpose of the excess contribution, we will calculate the net income attributable to that contribution (Net Income Attributable or "NIA") using the method provided for in the IRS Final Regulations for Earnings Calculation for Returned or Recharacterized Contributions. This method calculates the NIA based on the actual earnings and losses of the Roth IRA during the time it held the excess contribution. Please note that a negative NIA is permitted and, if applicable, will be deducted from the amount of the excess contribution.

Excess contributions (plus or minus the NIA) that are distributed by your federal income tax return due date (plus extensions) will be considered corrected, thus avoiding an excess contribution penalty.

## **Taxation of Roth IRA Distributions**

Any distribution, or portion of any distribution, which consists of the return of contributions you made to your Roth IRA is not subject to federal income tax. For federal income tax purposes, contributions are presumed to be withdrawn first, then conversion contributions, then earnings.

### **Qualified Distribution**

The earnings on your contributions will not be subject to federal income tax or penalty if the assets being withdrawn have been in your Roth IRA for at least five (5) years (from the first taxable year in which your initial contribution, including rollover or conversion contribution, was made to the Roth IRA) in addition to any one of the following:

1. you have attained age 59½, or
2. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
3. made because you are disabled, or
4. due to your death.

### **Non-Qualified Distribution**

The earnings portion of a distribution made prior to the end of the five-year holding period, regardless of the reason, is considered a non-qualified distribution and is subject to ordinary income tax. The earnings may also be subject to a 10% penalty tax if you are under age 59½, unless an early distribution exception applies. The distribution of amounts attributable to conversion contributions (prior to five years from the tax year of conversion) may be subject to a 10% penalty tax if you are under age 59½, unless an early distribution exception applies. Exceptions to the 10% penalty tax on early distributions are described in the section titled "Early Distributions from a Roth IRA". If you are subject to a federal penalty tax due to a premature distribution, you must file IRS Form 5329.

### **Early Distributions From a Roth IRA**

The earnings portion of distributions made prior to the end of the five-year holding period, or which fail to meet the criteria as outlined in "Taxation of Roth IRA Distributions", are subject to ordinary income taxes. The earnings portion of the distribution is also subject to the 10% penalty tax on early distributions unless one of the following exceptions applies to the distribution:

1. you have attained age 59½, or
2. due to your death, or
3. made because you are disabled, or
4. used specifically for deductible medical expenses which exceed 7.5% of your adjusted gross income, or
5. used for health insurance cost due to your unemployment, or
6. used for higher education expenses defined in section 529(e) (3) of the Internal Revenue Code, or
7. used toward the expenses of a first time home purchase up to a lifetime limit of \$10,000, or
8. part of a scheduled series of substantially equal payments over your life, or over the joint life expectancy of you and a beneficiary. If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before 5 years have elapsed and before attaining age 59½, the penalty tax will apply retroactively to the year payments began through the year of such modification, or
9. required because of an IRS levy, or
10. the distribution is a Qualified Reservist Distribution, or
11. the distribution is a qualified birth or adoption distribution, or
12. the distribution is in connection with qualified federally declared disasters, or
13. the distribution is to an individual with a terminal illness.

The 10% penalty tax is in addition to any federal income tax that is owed at distribution. For more information on the 10% penalty tax and the exceptions listed above, consult IRS Publication 590A/B.

### **Roth IRA Required Distributions**

You are not required to take distributions from your Roth IRA during your lifetime.

### **Roth IRA Distribution Due to Death**

If you die, your account must generally be distributed within 10 years, except if your named beneficiary is your surviving spouse, a minor child, a disabled or chronically ill person or a person not more than 10 years younger than you. These "eligible designated beneficiaries" generally have the option to take distributions over their life expectancy. Please see IRS Publication 590B.

### **Roth IRA - IRS Approved Form**

Your Roth IRA is the Internal Revenue Service's model custodial account contained in IRS Form 5305-RA. Certain additions have been made in Article IX of the form. By following the form, your Roth IRA meets the requirements of the Internal Revenue Code. However, the IRS has not endorsed the merits of the investments allowed under the Roth IRA. IRS Form 5305-RA cannot be used in connection with, SEP, SIMPLE or traditional IRAs or Coverdell Education Savings Accounts.

### **Tax Refund Direct Deposit IRA Contributions**

Taxpayers who qualify for a tax refund may elect to directly deposit their refund into their IRA account. The amount of the refund deposited to your IRA cannot exceed annual IRA limits as set forth by the Internal Revenue Service. You must contact the Custodian in advance of completing IRS Form 8888 to obtain the proper routing instructions. All tax refund contributions will be recorded as current year contributions for the year received.

## **Health Savings Account (“HSA”) Funding Distribution**

You are allowed a one-time, tax-free transfer from an IRA (other than a SEP or SIMPLE IRA) to use toward your annual Health Savings Account (“HSA”) contribution. Eligible individuals may make an irrevocable one-time, tax-free “qualified HSA funding distribution” from an IRA and move it directly into an HSA, subject to strict requirements. The HSA funding distribution must be directly transferred from the IRA custodian or trustee to the HSA custodian or trustee. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred. The deposited amount is counted toward the individual’s total HSA annual contribution limit.

## **Non-Spouse Beneficiaries of Employer Plans**

Eligible non-spouse beneficiary distributions from an employer’s retirement plan can be directly rolled over into a beneficiary/ inherited IRA. To accomplish the direct rollover, the plan administrator must distribute the benefit payable to the trustee or custodian and mail it directly to the receiving institution. If the distribution is paid directly to the non-spouse beneficiary, a rollover will not be permitted.

The beneficiary/inherited IRA account must be registered in both the non-spouse beneficiary’s name and the decedent’s name. A non-spouse beneficiary may include a trust beneficiary that meets the special “look through” rules under the IRS regulations. Non-qualified trusts, estates or charities are not eligible for the direct rollover provision.

## **Qualified Reservist Distributions**

Early distributions paid to military reservists called to active duty after September 11, 2001 (“Qualified Reservist Distributions”) are eligible to be repaid to an IRA within a two-year period after the end of active duty. This provision applies to distributions made after September 11, 2001. Repayments cannot exceed the amount of your Qualified Reservist Distributions. Repayment cannot be made after the later of either the date that is two years after your active duty period ends, or August 16, 2008. The repayments are not treated as rollovers. For additional information refer to IRS Publication 590A/B under the heading “Qualified reservist repayments.”

## **Qualified Charitable Distributions**

Qualified charitable distributions. A qualified charitable distribution (QCD) is generally a nontaxable distribution made directly by the trustee of your IRA (other than a SEP or SIMPLE IRA) to an organization eligible to receive tax-deductible contributions. You must be at least age 70 1/2 when the distribution was made. Also, you must have the same type of acknowledgment of your contribution that you would need to claim a deduction for a charitable contribution. See Records To Keep in Pub. 526.

The maximum annual exclusion for QCDs is \$100,000. Any QCD in excess of the \$100,000 exclusion limit is included in income as any other distribution. If you file a joint return, your spouse can also have a QCD and exclude up to \$100,000. The amount of the QCD is limited to the amount of the distribution that would otherwise be included in income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income.

## **Prohibited Transactions**

If you or your beneficiary engages in any prohibited transaction as described in the Internal Revenue Code (IRC) Section 4975(c) (such as any sale, exchange, borrowing, or leasing of any property between you and your IRA; or any other interference with the independent status of the account), the account will lose its exemption from tax and be treated as having been distributed to you on first day of the tax year in which you or your beneficiary engaged in the prohibited transaction. The distribution may also be subject to additional penalties including a 10% penalty tax if you have not attained age 59½. See Publication 590A/B for further instructions on calculating taxable gain, reporting amounts in income and prohibited transaction penalty taxes. In addition, if you or your beneficiary use (pledge) all or any part of your IRA as security for a loan, then the portion so pledged will be treated as if distributed to you, and will be taxable to you. Your distribution may also be subject to a 10% penalty tax if you have not attained age 59½ during the year which you make such a pledge.

## **Estate Tax**

Amounts payable to your spouse, as your named beneficiary, may qualify for a marital tax deduction for federal estate tax purposes.

## **Income Tax Withholding**

The Custodian is required to withhold federal income tax from any taxable distribution from your IRA at the rate of 10% unless you choose not to have tax withheld. You may elect out of withholding by advising the Custodian in writing, prior to the distribution, that you do not want tax withheld from the distribution. This election may be made on any distribution request form provided by the Custodian. If you do not elect out of tax withholding, you may direct the Custodian to withhold an additional amount of tax in excess of 10%.

State income tax withholding may also apply to distributions from your IRA account when federal income tax is withheld. Please contact your tax advisor or state tax authority for information about your state’s income tax withholding requirements.

## **Additional Information**

Distributions under \$10 will not be reported on IRS Form 1099-R (as allowed under IRS regulations). However, you must still report these distributions to the IRS on your Form 1040 (as well as other forms that may be required to properly file your tax return).

For more detailed information, you may obtain IRS Publication 590A/B, Individual Retirement Accounts (IRAs) from any district office of the Internal Revenue Service or by calling 1-800-TAX-FORM.

## **Filing With the IRS**

Contributions to your IRA must be reported on your tax return (Form 1040 or 1040A, and Form 8606 for nondeductible traditional IRA contributions) for the taxable year contributed. If you are subject to any of the federal penalty taxes due to excess contributions, premature distributions, or missed required minimum distributions, you must file IRS Form 5329.

Contact Center: (800) 248-8447 | [www.ForgeTrust.com](http://www.ForgeTrust.com)

## Form 5305-RA (Revised April 2017)

### Under section 408(a) of the Internal Revenue Code

### Department of the Treasury—Internal Revenue Service

The Depositor whose name appears on the attached application is establishing a Roth individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The custodian, Forge Trust Co. (the "Custodian"), has given the Depositor the disclosure statement required under Regulations section 1.408-6. The Depositor and the Custodian make the following agreement:

#### Article I

Except in the case of a qualified rollover contribution described in section 408A(e) or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to \$6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

#### Article II

- 2.01. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a grantor who is single or treated as single, the annual contribution is phased out between adjusted gross income (AGI) of \$118,000 and \$133,000; for a married grantor filing jointly, between AGI of \$186,000 and \$196,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the \$0 to \$10,000 range, will be increased to reflect a cost-of-living adjustment, if any. Adjusted gross income is defined in section 408A(c)(3).
- 2.02. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the Depositor and his or her spouse.

#### Article III

The Depositor's interest in the balance in the custodial account is nonforfeitable.

#### Article IV

- 4.01. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
- 4.02. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

#### Article V

- 5.01. If the Depositor dies before his or her entire interest is distributed to him or her and the Depositor's surviving spouse is not the designated beneficiary, the entire remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below :
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the Depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
- 5.02. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the Depositor's death and subtracting 1 from the divisor for each subsequent year.
- 5.03. If the Depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the Depositor.

#### Article VI

- 6.01. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
- 6.02. The Custodian agrees to submit to the IRS and Depositor the reports prescribed by the IRS.

#### Article VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

#### Article VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the Depositor and Custodian.

## Article IX

- 9.01 **Definitions:** In this part of this Agreement (Article IX), the words "you" and "your" mean the Depositor, the words "we," "us" and "our" mean the Custodian (including its subsidiaries, and/or agents), "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations. The term "Broker" means the broker-dealer/financial representative selected by you to provide investment services to your Roth IRA.
- 9.02 **Notices and Change of Address:** Any required notice regarding this Roth IRA will be considered effective when we mail it to the last address of the intended recipient which we have in our records.
- Any notice to be given to us will be considered effective when we actually receive it. You must notify us in writing of a change of address.
- 9.03 **Representations and Responsibilities:** You represent and warrant to us that any information you have given or will give us, with respect to this Agreement is accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement and that we are entitled to rely upon such information or directions.
- We shall have no duty or responsibility to question any of your directions, review any securities or other property held in the Roth IRA, or make any suggestions to you with respect to the investment, retention or disposition of any asset held in the Roth IRA. We are entitled to act upon any instrument, certificate or form we believe is genuine and believe is signed or presented by the proper person or persons and we need not investigate or inquire as to any statement contained in any such document, but may accept it as true and accurate. We will not provide any tax, legal or investment advice.
- We shall have no duty to monitor the sufficiency or adequacy of your actions or duties or those of your heirs, successors, agents, or assigns, nor shall we be required to monitor the acts of any paid consultant to whom we may have contractually delegated any duties or responsibilities pursuant to you or your agent's direction.
- We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act. We shall not be responsible for any penalties, taxes, judgments or expenses you incur in connection with the Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings or this Agreement.
- (a) **Rollovers and Tax Consequences** - You are responsible for determining whether a distribution from another Roth IRA may be rolled over to this Roth IRA. You understand that we do not make any representation or warranty that all or any portion of the earnings in your Roth IRA will be exempt from income taxation under Federal or State law, or that any rollover contribution will be excludable from income for Federal or State income tax purposes.
- (b) **Custodial Account** - We shall maintain a custodial account for your benefit. The custodial account will consist of an interest bearing account with us and all other investments purchased at your direction. All assets in the custodial account will be registered in our name as custodian or in the name of our nominee. We may, by or through a Broker, or other such firm, hold any securities in bearer form or deposit them with a central clearing corporation or depository approved by the Securities and Exchange Commission; provided that our records show that all such investments are part of the custodial account.
- (c) **Custodian's Reservation of Rights** - Notwithstanding any other provision of this Article IX, we reserve the right to refuse to follow any investment direction by you which we determine violates any Federal or State Law.
- 9.04 **Service Fees:** We have the right to charge an annual service fee or other designated fees (for example, a transfer, rollover, transaction, or termination fee) for maintaining this Roth IRA. In addition, we have the right to be reimbursed or reserve funds for all reasonable expenses we incur in connection with the administration of the Roth IRA. For more information on our fees, please refer to section 9.05(c) and (k) and the current separate Schedule of Fees. Any brokerage commissions attributable to the assets in the Roth IRA will be charged to the Roth IRA. You cannot reimburse the Roth IRA for those commissions. If a third-party has agreed to pay the fees associated with your Roth IRA and such third-party fails to pay such fees timely, you acknowledge that you are responsible to pay all fees then due on the account and going forward.
- 9.05 Your Investment Powers and Our Custodial Powers/Rights
- (a) **Investment of Roth IRA** - Subject to Section 9.05(f), you have sole authority and discretion, fully and completely, to select and to direct the investment of all assets in the Roth IRA. You accept full and sole responsibility for the success or failure of any selection made. We shall have no discretion to direct any investment in the Roth IRA. We will not act as investment advisor or counselor to you and will not advise you or offer any opinion or judgment on any matter pertaining to the nature, value, potential value or suitability of any investment or potential investment of the assets of the Roth IRA, and are merely authorized to acquire and hold the particular investments specified by you. We shall not have any responsibility nor any liability for any loss of income or of capital, nor for any unusual expense which we may incur, relating to any investment, or to the sale or exchange of any asset which you or your authorized agent directs us to make.
- After your death, your beneficiary(ies) shall have the right to direct the investment of the Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitations, Section 9.03 and 9.05). All transactions shall be subject to any and all applicable Federal and State laws and regulations and the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed and to our policies and practices.
- (b) **Limitation of Investment Powers** - We, as Custodian of the Roth IRA assets entrusted to us under the Roth IRA, shall not commingle the Roth IRA with any other property we hold except in a common trust fund or common investment fund, although as noted below in Section 9.05(d) we will hold your publicly traded securities in an omnibus account with the designated broker for those securities. We retain the power to take such actions as are reasonable and necessary to carry out our duties under the Roth IRA. We are under no duty to take any action other than as specified under this Agreement unless you provide us with instructions and agree to indemnify and hold us harmless from any claims arising out of such instructions. Subject to the rules imposed by us, and subject to investment directions given by you or your authorized agent, we are authorized and empowered, but not by way of limitation, with the following powers and rights:
- 1) To hold or invest any part or all of the Roth IRA in any asset permissible under law as an investment for an individual retirement account;
  - 2) To manage, sell, contract to sell, grant options to purchase, convey, petition, divide, subdivide, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Roth IRA, and otherwise deal with all property, real or personal, in such manner for such considerations and on such terms and conditions as are in accordance with the written direction we receive;
  - 3) To borrow money, to lend money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;
  - 4) To retain in cash so much of the Roth IRA assets as you or your authorized agent direct, or pending other instructions from you or your authorized agent and take such actions as described in Section 9.05(k);

- 5) To transfer all or any part of the Roth IRA funds from one type of savings instrument offered by us to another type of savings instrument offered by us, to the extent permitted by the applicable governmental regulations and our procedures;
  - 6) To purchase and to hold annuity contracts and exercise all rights of ownership of the contracts; and
  - 7) To make, execute and deliver as Custodian contracts, waivers, releases or other written instruments necessary to exercise the powers enumerated above.
- (c) **Custodian's Powers** - We shall have the power:
- 1) To hold any securities or other property in the Roth IRA in the name of the Custodian or its nominee, or in another form as we may deem best, with or without disclosing the custodial relationship;
  - 2) To appoint an affiliated or unaffiliated sub-custodian to hold some or all of the securities or other property in the Roth IRA, provided however, and subject to the liability limitation in Section 9.15 below, that the appointment of any sub-custodian shall not relieve the Custodian of its obligations to the Depositor under this Agreement;
  - 3) To retain any funds or property subject to any dispute without liability for the payment of interest and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes final adjudication;
  - 4) To charge against and pay from the Roth IRA all taxes of any nature levied, assessed, or imposed upon the Roth IRA, and to pay all reasonable expenses and attorney fees which may be necessarily incurred by us with respect to the Roth IRA;
  - 5) To file any tax or information return required of us, and to pay any tax, interest or penalty associated with any such tax return;
  - 6) To act pursuant to written blanket settlement authorization given by you on transactions executed by your designated agent. We are authorized to honor all trade confirmations received from such agent;
  - 7) To furnish or cause to be furnished to you an annual calendar year report concerning the status of the Roth IRA, including a statement of the assets of the Roth IRA held at the end of the calendar year;
  - 8) To begin, maintain or defend any litigation necessary in connection with the administration of the Roth IRA, except that we shall not be obliged or required to do so unless indemnified to our satisfaction, including, without limitation, payment of such expenses out of Roth IRA assets;
  - 9) To exercise the voting rights and other shareholder rights with respect to securities in the Roth IRA but only in accordance with the instructions you give to us;
  - 10) To employ and pay from the Roth IRA reasonable compensation to agents, attorneys, accountants and other professional persons for advice that in our opinion may be necessary. We may delegate to any agent, attorney, accountant and other persons selected by us any power or duty vested in us by this Agreement; and
  - 11) To charge you separately for any fees or expenses or deduct the amount of the fees or expenses from the assets in the Roth IRA at our discretion. We are also entitled to be reimbursed for any taxes and other expenses we assume or incur on behalf of your account. Our right to compensation and reimbursement from the account shall constitute a first prior lien against your account. We have the right to change our fee upon 30 days notice to you. We are authorized to liquidate assets of the Roth IRA for any unpaid fee balance and can, at our discretion, require you to retain uninvested cash in the Roth IRA in an amount not less than one year's annual fees plus termination fees and not more than \$1,000. The choice of the selling broker and assets to be sold shall be at our sole discretion. Should fees or expenses not be collected, we shall have the option to cease performing any functions, including, but not limited to, processing investment transactions until such time as all fees and expenses charged against the account are fully paid.
- In addition, the Custodian may receive commissions, 12(b)1 fees, sub-transfer agent fees, marketing fees and other types of compensation from various entities (including without limitation, entities in which the Roth IRA invests) relating to investments held in the Roth IRA, which may, or may not, be directly or indirectly distributed, allocated or otherwise paid to or retained by third-parties providing services with respect to your Roth IRA.
- (d) **Publicly-Traded Securities** - If publicly-traded securities are to be included in the specified investments, orders shall be executed through a securities broker-dealer registered under the Securities Exchange Act of 1934. The Custodian may designate one or more such broker-dealers for trade execution and for the holding of publicly-traded securities. For operational reasons, the Custodian currently maintains, and is likely in the future to maintain, accounts with a limited number of broker-dealers. These broker-dealers are selected by the Custodian in its own discretion. There is no commitment that the commission rates or transaction fees charged for purchase and sale transactions by broker-dealers selected by the Custodian will be the best available commission or fees available on the market. Any brokerage account maintained in connection herewith shall be in our name as the Custodian of your account.
- We shall be authorized to honor transactions within the brokerage account without obligation to verify prior authorization of same by you. Any cash received by the brokerage account, whether as income or proceeds of transactions, may be held by the brokerage account pending directions, and we shall have no obligation to direct the broker to remit such cash until directed to do so by you, but may receive remittances without direction if the same are made by the broker. Investments outside the brokerage account shall be made in accordance with the other provisions of this Article.
- Investment directions may be given by you directly to the designated broker (in such manner as the broker may require) and the broker shall be responsible for the execution of such orders.
- When securities are purchased within your brokerage account requiring that funds be remitted by us to make settlement, you agree to telephonically notify us or instruct your broker or agent to telephonically notify us on the trade date of the pending securities transaction, and to request delivery of the Roth IRA account assets necessary to settle the trade. You agree to hold us harmless for any losses resulting from your failure to notify us of the pending trade and request for settlement in the above-prescribed manner.
- (e) **Alternative Investments** - You may, at your discretion, direct us to purchase "alternative" investments which shall include, but not be limited to, investments which are individually negotiated by you or your agent, or part of a private placement of securities offered in reliance upon exemptions provided by Sections 3(B) and 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder. It is your sole responsibility to determine whether or not your selected investment(s) is required to be registered as a security with any applicable federal and/or state regulatory authority. We reserve the right to not follow such direction or process such investment(s) for administrative reasons. Such action should not be construed as investment advice or an opinion by us as to the investment's prudence or viability. If you or your agent should direct us to purchase an alternative investment, as defined above, the following special certifications and provisions shall apply:
- 1) You agree to submit or cause to be submitted all offering documentation related to the alternative investment for an administrative review by us, if so requested. We reserve the right to charge a reasonable fee for such administrative review.

- 2) If the alternative investment(s) contains a provision for future contractual payments or assessments, including margin calls, you acknowledge that such payments shall be borne solely by the Roth IRA account, that authorization to make such payments shall come from you or your agent, and that making such payments may reduce or exhaust the value of the Roth IRA account. You further agree to maintain sufficient liquid funds in the Roth IRA account to cover any such payments or assessments, and agree that we are not responsible for monitoring the balance of the account to verify compliance with this Section.
- 3) If the alternative investment(s) contain administrative and/or management requirements or duties beyond our capabilities or expertise to provide, then you agree to seek out suitable agents or counsel necessary to perform such duties and deliver a written service agreement acceptable to us for execution on behalf of the Roth IRA account.
- 4) You attest that assets to be transferred into the account do not include any illegal or impermissible investments under South Dakota or federal law, including, but not limited to, marijuana-related holdings or holdings related to illegal substances, illegal gambling, or illegal artifacts. You further confirm that the account will not hold or engage in transactions involving illegal holdings, and should the account ever come to hold an illegal or impermissible investment under South Dakota or federal law, you will immediately notify the Custodian. If we identify assets in the account as illegal, we will require that you transfer the assets and/or we will resign from the account, and if necessary, file corresponding Suspicious Activity Reports (SAR).
- 5) If you direct us to enter into an individually-negotiated debt instrument, including a promissory note, deed of trust, real estate contract, mortgage note or debenture, we strongly encourage you retain the services of a third-party agent pursuant to a note servicing agent agreement, on a form acceptable to us. The note servicing agent shall be your agent and not ours, and shall be responsible for administering the terms of the debt instrument on behalf of the Roth IRA account. Should the note servicing agent ever become unwilling or unable to perform the duties outlined in the note servicing agent agreement, then you understand and agree that all duties of the note servicing agent shall revert to you until a successor agent is named. We will not act as a note servicing agent, including monitoring your account to ensure receipt of note payments, notifying you in the event of default, preparing or computing payoff balances, or preparing or filing Form 1098.
- 6) We are responsible for safekeeping only those documents which you or your agent deliver to us.
- 7) You agree to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bring any other suits or actions which may become necessary to protect the rights of the account as a result of the operation or administration of the investment(s).
- 8) Once you or your agent authorize funds to be distributed from your account for purposes of investment, you agree to be responsible for the following:
- a) verifying that the individual or investment company that you selected placed your funds into the proper investment;
  - b) obtaining the necessary documentation from the individual or investment company to verify that the funds were correctly invested, including, but not limited to, shares or units, proper recordation, loan to value ratio, etc.; and
  - c) sending the original documentation evidencing the investment to us or, in the case of a promissory note investment, to a third party servicing agent. We will not monitor the account to ensure receipt of such documentation and will rely solely on you to provide this information.
- (f) **Delegation of Investment Responsibility** - We may, but are not required to, permit you to delegate investment responsibility for the Roth IRA to another party. On a form or format acceptable to us, you may designate a representative for the purpose of communicating investment directions to us and receiving information from us regarding your account. Said representative may be a registered representative of a broker-dealer organization, a financial advisor or other person as may be acceptable to you. Such person shall be your authorized agent, and not ours. We shall construe any and all investment directions given by such person, whether written or oral, as having been authorized by you. You may appoint and/or remove such a person only by written notice to us provided that their removal shall not have the effect of canceling any notice, instruction, direction or approval received by us from the removed person before we receive notice of removal from you. We shall follow the proper written direction of any such party who is properly appointed and we shall be under no duty to review or question, nor shall we be responsible for, any of that party's directions, actions or failures to act. That party's instructions to us shall be deemed to be instructions by you for all purposes of this Article IX.
- (g) **Authorization** - On a form or in a format acceptable to us, you may authorize us to accept written, verbal, fax, e-mail and other means of communication for investment directions from you or your designated representative. You agree that we are not responsible for verifying the propriety of any investment direction and that we are not responsible for unauthorized trades in your account that may be affected under this Section.
- (h) **Valuation of Assets** - We shall update values on assets upon receipt of valuation information from various outside sources. Valuation updates shall be submitted at least annually. However, we do not guarantee the accuracy of prices obtained from quotation services, independent appraisal services, investment sponsors, or parties related thereto or other outside sources. Values for investment accounts held by third parties shall be equal to the total equity value of the account and shall reflect only those assets that are priced by the investment firm. Valuation of individual assets held within your investment account such as stocks, bonds, Exchange-Traded Products (ETPs), foreign exchange, commodity exchange, etc., may not be listed individually on our statements, but can be obtained directly from your investment account statement.
- In reporting values for the assets held in custodial accounts, we use reasonable, good faith efforts to ascertain the fair market value of each asset. For those custodial assets where value is readily ascertainable on either an established exchange or generally recognized market, we will report values for such assets as derived from sources commonly used by the financial services industry to determine prices of financial instruments. For those custodial assets where, fair market value is not readily ascertainable, you agree that you will provide to us a qualified valuation of the asset. If you do not provide such a qualified valuation, we may report the asset's value at its last known fair market value or at its acquisition cost. If you do not provide this information, we may require you to remove the asset from your account by transfer or distribution. If you do not remove the asset from your Account as directed, we may distribute the asset to you at the last reported value or resign and distribute the entire Account to you.
- For all custodial assets, we neither provide a guarantee of value nor an opinion regarding any independent appraisal provided by you, and we assume no responsibility for the valuations reported. You acknowledge and agree that any valuation reported is not necessarily a true market value, may be merely an estimate of value and should not be relied upon by you for any other purpose.
- If you do not object in writing within 60 days after an account statement has been provided to you, you are deemed to have approved the account statement, and Custodian, absent its fraud, intentional misrepresentation or material omission, is released and discharged from any and all liability as to all matters set forth in the account statement.
- (i) **Unrelated Business Taxable Income** - Certain investments may generate taxable income within the Roth IRA account. This is referred to as Unrelated Business Taxable Income (UBTI). Such income must be considered in conjunction with all such income from all the Roth IRA accounts and may be taxable to your account(s) to the extent that all UBTI for a given taxable year exceeds the threshold amount set by the IRS. In such instances, the IRS requires that a Form 990-T be filed for the Roth IRA account along with the appropriate amount of tax. We do not monitor the amount of UBTI in the Roth IRA account with us and do not prepare Form 990-T. Therefore, you must monitor UBTI for this and any other Roth IRA account which you may hold and prepare, or have prepared, the proper 990-T tax form and forward it to us, along with authorization to pay any tax due from the Roth IRA account.

- (j) **Life Insurance and Collectible** - You may not direct the purchase of a life insurance contract or a "collectible" as defined in Code Section 4011(m).
- (k) **Cash Assets** - The Depositor will receive a custodial cash rate on uninvested cash assets that will vary from time to time and shall be set by the Custodian's Board of Directors or its delegatee, in its discretion, at least annually. This amount will be paid monthly, and only to Depositors that have accounts as of the last day of any month. By choosing to leave cash uninvested, the Depositor shall be deemed to have agreed to the custodial cash rate and to Custodian's receipt of the income attributable to the uninvested cash. The custodial cash rate determined by the Custodian may be less than what the Depositor could obtain for a direct cash deposit with the depository institution or direct investment. The Custodian is under no obligation to maximize the custodial cash rate on uninvested cash. Further, the cash administration fee retained or earned by the Custodian may be greater than the custodial cash rate that the Depositor will receive on any uninvested cash. Depositor may confirm the custodial cash rate applicable to Depositor's account by referring to Depositor's account statement or by going to <https://app.forgetrust.com/client-portal/>. Depositor will be notified via the website at least 30 days' before the custodial cash rate is changed.

We will ordinarily perform sub-accounting and administrative functions related to the management of uninvested cash with a depository institution or in other savings instruments. Consistent with its authority under Section 9.05(b)(4) above, the Custodian will hold uninvested cash in an account or product of a financial institution or other United States Government security, or security that is guaranteed by the United States government, and other cash equivalent products, to such income attributable to uninvested cash (if any) as a custodial fee. For these sub-accounting and administration services, we will be entitled to (i) retain the interest earned on deposited cash. This is in addition to the fees and charges reflected on the most recent fee schedule.

- 9.06 **Beneficiary(ies)**: If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiary(ies). You may designate one or more persons or entities as beneficiary of your Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime or after as provided by law. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary(ies) shall not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your Roth IRA.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable Regulations.

We may allow, if permitted by state law, an original Roth IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited Roth IRA at the time of your death) to name a successor beneficiary(ies) for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary's(ies') lifetime or after as provided by law. Unless otherwise specified, each beneficiary designation form that the original Roth IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original Roth IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original Roth IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

If no beneficiary is designated by you at account opening or thereafter, upon your death, the distribution of the amounts in your Roth IRA will be made in the following order: first to your spouse, second, if no spouse is then alive, to your then living children divided equally among such children, third, if no spouse or children are then living, to your estate.

- 9.07 **Termination**: Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as Custodian at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer the Roth IRA to another financial organization. If you do not complete a transfer of the Roth IRA within 30 days from the date we mail the notice to you, we have the right to transfer the Roth IRA assets to a successor Roth IRA Custodian or Trustee that we choose in our sole discretion or we may assign the entire Roth IRA to you as a full distribution. We shall not be liable for any actions or failures to act on the part of the successor Custodian or Trustee nor for tax consequences you may incur that result from the transfer or distribution of the Roth IRA assets pursuant to this section.

If this Agreement is terminated, we may hold back from the Roth IRA a reasonable amount of money that we believe is necessary to cover any one or more of the following:

- any fees, expenses or taxes chargeable against the Roth IRA;
- any penalties associated with the early withdrawal of any savings instrument or other investment in the Roth IRA.

If our organization is merged with another organization (or comes under the control of any Federal or State agency) or if our entire organization (or any portion which includes the Roth IRA) is bought by another organization, that organization (or agency) shall automatically become the Trustee or Custodian of the Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA Trustee or Custodian.

If we are required to comply with Section 1.408-2(e) of the Treasury Regulations and we fail to do so, or we are not keeping the records, making the returns or sending the statements as are required by forms or Regulations, the IRS may, after notifying you, require that a substitute Trustee or Custodian be appointed.

- 9.08 **Amendments**: We have the right to amend this Agreement at any time and we will amend this Agreement as necessary to comply with the provisions of the Code and other applicable government regulations. We may charge a fee for IRS mandated amendments. Any amendment we make to comply with the Code and other applicable Regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent. The Depositor may not seek to amend this Agreement without our prior written consent. Section 9.08 remains subject to the provisions of Article VIII above.

- 9.09 **Withdrawals**: All requests for withdrawal shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution.

Any withdrawals shall be subject to all applicable tax and other laws and regulations including possible early withdrawal penalties and withholding requirements.

You are not required to take a distribution from your Roth IRA at age 73. At your death, however, your beneficiaries must begin taking distributions in accordance with Article V and section 9.06 of this Agreement. We will make no payouts to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or approved by us.

- 9.10 **Transfers From Other Plans**: We can receive amounts transferred to the Roth IRA from the Custodian or Trustee of another Roth IRA. We reserve the right not to accept any transfer or rollover.

- 9.11 **Liquidation of Assets**: We have the right to liquidate assets in the Roth IRA if necessary to make distributions or to pay fees, expenses or taxes properly chargeable against the Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide in our complete and sole discretion and you agree not to hold us liable for any adverse consequences that result from our decision.

- 9.12 **Restrictions On The Account:** Neither you nor any beneficiary may sell, transfer or pledge any interest in the Roth IRA in any manner whatsoever, except as provided by law or this Agreement. The assets in the Roth IRA shall not be responsible for the debts, contracts or torts of any person entitled to distributions under this Agreement.
- 9.13 **What Law Applies:** This Agreement is subject to all applicable Federal and State laws and regulations. If it is necessary to apply any State law to interpret and administer this Agreement, the law of the state of South Dakota shall govern.
- If any part of this Agreement is determined by a court of competent jurisdiction to be invalid, the remaining parts shall not be affected. Neither you nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision. These rights and liabilities are continuous, covering individually and collectively, all accounts you may open with us or our agent for the same Roth IRA, and inure to the benefit of us, our successors or assigns and are binding on you and your heirs, successors or assigns.
- 9.14 **Indemnity of Custodian:** To the extent not prohibited by Federal or State law, you agree to indemnify, defend and hold the Custodian, its subsidiaries and administrator (including their officers, agents and employees) harmless against and from any and all claims, demands, liabilities, costs and expenses (including reasonable attorneys' fees and expenses), arising in connection with this agreement, except those caused by (A) any gross negligence by the Custodian, its subsidiaries and administrator (including their officers, agents and employees), or (B) any material breach by the Custodian, its subsidiaries and administrator (including their officers, agents and employees) of any responsibilities under this Agreement. You further agree to pay for the defense of the Custodian, its subsidiaries and administrator (including their officers, agents and employees) by independent counsel of the Custodian's choice against any such claims, demands, liabilities or costs referred to in the preceding sentence.
- You agree to indemnify, defend and hold the Custodian, its subsidiaries and administrator (including their officers, agents and employees) harmless against and from any and all payments or assessments which may result from holding any publicly-traded security or alternative investment within the Roth IRA account, and further agree that the Custodian, its subsidiaries and administrator (including their officers, agents and employees) shall be under no obligation whatsoever to extend credit or otherwise disburse payment beyond the cash balance of your account for any payment or assessment related to such investment(s).
- 9.15 **Liability for Acts of Third Parties:** The Custodian shall not be liable for losses (including all claims, demands, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) suffered by the Roth IRA resulting from the acts or failure to act by third-party service providers, including, but not limited to, affiliated or unaffiliated sub-custodians and broker-dealers selected by the Custodian to provide services to the Roth IRA except to the extent that the Custodian was grossly negligent in the selection and retention of such service providers.
- 9.16 **Adverse Claims:** : If we receive any claim to the assets held in the Roth IRA which is adverse to your interest or the interest of your beneficiary, and we in our absolute discretion decide that the claim is, or may be, meritorious, we may withhold distribution until the claim is resolved or until instructed by a court of competent jurisdiction. As an alternative, we may deposit all or any portion of the assets in the Roth IRA into the court through a motion of interpleader. Deposit with the court shall relieve us of any further obligation with respect to the assets deposited. We have the right to be reimbursed from the funds deposited for our legal fees and costs incurred.
- 9.17 **Account Not Guaranteed:** We do not guarantee the Roth IRA account from loss or depreciation. Our liability to make payment to you at any time and all times is limited to the available assets of the account.
- 9.18 **Arbitration:** Any controversy (i) arising out of or relating to this Agreement or the breach thereof, or to the Roth IRA or any transactions authorized by you and/or your agent, or (ii) as to the arbitrability of such a controversy, shall be settled by arbitration in Minnehaha County, South Dakota, according to the rules of The American Arbitration Association. Arbitration is final and binding on the parties, and judgement upon any award rendered by the arbitrators may be entered in any court of competent jurisdiction. The parties are waiving their right to seek remedies in court, including the right to jury trial. The prearbitration discovery is generally more limited than and different from court proceedings.
- 9.19 **Attorneys' Fees**
- (a) If a party files suit instead of arbitrating a controversy as required by this Agreement or fails to proceed with arbitration, the other party is entitled to reasonable attorneys' fee for having to compel arbitration.
  - (b) If either party to this Agreement commences any legal action, suit, counterclaim, appeal, arbitration, or other proceeding (an "Action") against the other party to this Agreement to enforce or interpret any of the terms of this Agreement, because of an alleged breach, default, or misrepresentation in connection with any of the terms of this Agreement, or because of a claim arising out of the terms of this Agreement, the losing or defaulting party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such Action.
  - (c) If the prevailing party shall obtain a judgment in its favor arising out of any Action against the other party to this Agreement, the party against whom such judgment is rendered shall pay to the prevailing party the attorneys' fees incurred by the prevailing party in the collection or enforcement of such judgment. The provisions of this paragraph (b) shall be severable from the other provisions of this Agreement, shall survive any judgment, and shall not be deemed merged into such judgment.
- 9.20 **Custodian's Affiliation:** Forge Trust Co. is wholly owned by Forge Services, Inc., which is wholly owned by Forge Global, Inc. Forge Global Inc. is wholly owned by the public company, Forge Global Holdings, Inc. (NYSE: FRGE).

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**