

# **WEALTHFRONT 529 COLLEGE SAVINGS PLAN AGREEMENTS**

These are the agreements and other documents that establish and govern the Wealthfront 529 college savings plan (the “Plan”) CLIENT RELATIONSHIP.

BY USING WEALTHFRONT YOU AGREE TO THE FOLLOWING AGREEMENTS (THE “AGREEMENTS”) AND AGREE TO BE LEGALLY BOUND BY THEIR TERMS AND CONDITIONS:

- (1) the Wealthfront Client 529 Account Agreement between you and Wealthfront Inc. (“Wealthfront”); and
- (2) Customer 529 Brokerage Agreement between you and Wealthfront Brokerage Corporation (“Broker”).

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

- THE AGREEMENTS MAY BE AMENDED FROM TIME TO TIME AND THAT THE AMENDED AGREEMENTS WILL BE POSTED ON THE WEALTHFRONT WEBSITE: [WWW.WEALTHFRONT.COM/529](http://WWW.WEALTHFRONT.COM/529).
- YOU WILL CHECK THE WEALTHFRONT WEBSITE FOR NEW VERSIONS OF THE AGREEMENTS.
- BY KEEPING YOUR WEALTHFRONT ACCOUNT OR USING SERVICES PROVIDED BY WEALTHFRONT AND BROKER WITHOUT OBJECTING AFTER WEALTHFRONT POSTS A NEW VERSION OF ANY OF THE AGREEMENTS ON THE WEALTHFRONT WEBSITE, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY AMENDED AGREEMENT, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS.

Further, by clicking that you agree below, you also acknowledge and agree that:

- There are two different affiliated entities that provide the services to pursuant to the two agreements listed above, Wealthfront and Broker
- Wealthfront and Broker have separate agreements with you that allocate separate sets of rights and obligations between you and the applicable entity.
- Wealthfront is not responsible for the obligations of Broker and that Broker is not responsible for the obligations of Wealthfront.
- Wealthfront and Broker do not indemnify each other in connection with any of the Agreements.
- Wealthfront and Broker, may, subject to applicable laws and regulations, engage vendors or other contractors to help Wealthfront and Broker fulfill their respective duties under the Agreements.
- The services you receive are sufficient consideration for you to enter into the Agreements.

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# Wealthfront Client 529 Account Agreement

Revision date: August 31, 2016

You (“Client”) and Wealthfront Inc., a Delaware corporation (“Wealthfront”) and an investment adviser registered with the Securities and Exchange Commission, agree to enter into a financial advisory relationship which will allow Wealthfront to manage your brokerage account (“Wealthfront Account”) at Wealthfront Brokerage Corporation, an affiliate of Wealthfront (“Broker”), and your related Wealthfront 529 college savings plan (the “Plan”) account (the “Account” and together with the Wealthfront Account the “Accounts”). This Wealthfront Client 529 Account Agreement (this “Agreement”) is effective as of the first day the Accounts are opened and are ready to receive trading instructions from Wealthfront (the “Effective Date”) based upon the investment plan in respect of the Plan recommended by Wealthfront to Client, including the features designated by Client (the “Investment Plan”). In consideration of the mutual covenants herein, Client and Wealthfront agree as follows:

**1. Services.** Client retains Wealthfront to issue trading instructions and to manage the Accounts. Wealthfront shall manage the Accounts by issuing trading instructions to Broker to cause the Account to purchase, redeem or sell any security (within the meaning of Section 202(a)(18) of the Investment Advisers Act of 1940, as amended), including without limitation municipal fund securities, stocks, exchange traded funds (ETFs), mutual funds, and/or similarly traded instruments (collectively “Securities”), pursuant to the Investment Plan recommended by Wealthfront based on profile information specified by Client (“Investment Profile”) on [www.Wealthfront.com/529](http://www.Wealthfront.com/529) or our related mobile application (the “Site” or “App”) as provided in this Agreement. Client grants to Wealthfront full discretion as to all investment decisions regarding the Accounts, including, but not limited to, authority to buy, invest in, hold for investment, own, assign, transfer, redeem, sell (long or short), exchange, trade in, lend, pledge, deliver and otherwise act for the Accounts, and to exercise, in Wealthfront’s discretion, all rights, powers, privileges and other incidents of ownership, including without limitation voting, with respect to Securities in the Accounts. Wealthfront will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving Securities held in or formerly held in the Accounts or the issuers of Securities.

Notwithstanding anything in this Agreement to the contrary, Wealthfront shall have no authority hereunder to take or have possession of any assets in the Accounts or to direct delivery of any Securities or payment of any funds held in the Accounts to itself or to direct any disposition of such Securities or funds except to Client, for countervalue or as provided in Section 8 (entitled “Payment of Fees”).

**2. Power of Attorney.** To enable Wealthfront to exercise fully its discretion and authority as provided in Section 1, Client hereby constitutes and appoints Wealthfront as Client’s agent and attorney-in-fact with full power and authority for Client and on Client’s behalf to buy, redeem, sell and otherwise deal in Securities and contracts relating to same for the Accounts. Client further grants to Wealthfront as Client’s agent and attorney-in-fact 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 is coupled with an interest and shall terminate only on termination of this Agreement or on receipt by Wealthfront of written notice of the death, incapacity or dissolution of Client.

### **3. Representations and Warranties.**

(a) Client represents and warrants to Wealthfront and agrees with Wealthfront 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. If the Client is an entity, the trustee, agent, representative or nominee (the “Client Representative”) executing this Agreement on behalf of Client has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Agreement as applicable. Specifically, if this Agreement is entered into by a trustee, the trustee has authority to enter into this Agreement and that the services described herein are authorized under the applicable trust or law. Client will deliver to Wealthfront evidence of Client’s and Client Representative’s authority on Wealthfront’s

request and will promptly notify Wealthfront of any change in such authority, including but not limited to an amendment to Client's organizational, delegation or formation documents that changes the information Client provides to Wealthfront on opening the Account.

ii. For trust Clients: If Client Representative is entering into this Agreement, Client and Client Representative understand and agree that the representations, warranties and agreements made herein are made by Client both: (a) with respect to Client; and (b) with respect to the Client Representative.

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

iv. Client acknowledges that an Investment Plan for the Plan may include only a single municipal fund security (having a single underlying ETF) for each asset class within the Investment Plan, with each such municipal fund security playing a necessary role in the overall investment strategy and, therefore, Client understands and acknowledges that there can be no exclusions or restrictions of municipal fund securities or related ETFs recommended as part of the Investment Plan.

v. Client will provide Wealthfront with complete 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, as requested, and other investment accounts, as requested, in the Investment Profile and will promptly update that information as Client's circumstances change.

vi. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to Wealthfront for public display, then Client hereby grants permission to Wealthfront to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on the Site, 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.

vii. As of the Effective Date, and at all times during the term of this Agreement, none of the Accounts' 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.

viii. Client agrees to use Wealthfront solely for Client's personal, non-commercial use, and not in connection with any competitive analysis (as determined by Wealthfront).

(b) Client understands and agrees that (A) Wealthfront does not guarantee the performance of the Accounts, is not responsible to Client for any investment losses, and the Accounts are not insured against loss of income or principal; (B) there are significant risks associated with investing in Securities, including, but not limited to, the risk that the Accounts could suffer substantial diminution in value, and this risk applies even when the Accounts are managed by an investment adviser; (C) the past performance of any benchmark, market index, municipal fund security, ETF, or other Security does not indicate its future performance, and future transactions will be made in different Securities and different economic environments; and (D) Wealthfront will cause the Account to invest in Securities in essentially the proportions set forth by the Investment Plan (subject to the profile information received from Client), and provide only the specific reviews and restrictions described in this Agreement, and will not otherwise review or control such Accounts. There are significant risks associated with any investment program.

i. Client understands and agrees that Wealthfront's sole obligation hereunder or otherwise is to manage the Accounts in accordance with the Investment Plan, and Client has not engaged Wealthfront to provide any individual financial planning services, notwithstanding any duty or obligation Client Representative may have to a trust Client. Client understands and agrees that Wealthfront is not responsible for any losses in the Accounts, as provided in Section 10, and Wealthfront may at any time in its sole discretion determine that an Investment Plan may require reallocation of Securities.

ii. Client understands and agrees that the Account will be managed solely by Wealthfront issuing trading instructions to Broker to cause the Account to follow the Investment Plan, based on the information Client has provided to Wealthfront. Client further understands that if any of the information Client provides to Wealthfront is or becomes incomplete or inaccurate, the Account's activities may not achieve Client's desired investment strategy, the Account may purchase Securities from which Client is restricted from purchasing at that time or the Plan may be inappropriate for Client.

iii. Client understands and agrees that Wealthfront is not responsible to Client for any failures, delays and/or interruptions in the timely or proper execution of orders placed by Wealthfront on behalf of Client due to any or all of the following, which are likely to happen from time to time: (A) any kind of interruption of the services provided by the Plan's recordkeeper or custodian or Wealthfront's ability to communicate with Broker or the Plan's recordkeeper or custodian; (B) hardware or software malfunction, failure or unavailability; (C) Broker or the Plan's recordkeeper or custodian system outages; (D) internet service failure or unavailability; (E) the actions of any governmental, judicial or regulatory body; and/or (F) force majeure.

iv. Client understands and agrees that the Account's composition and performance may be different for a variety of reasons from those of any initial Investment Plan recommendation to a Client. These differences can arise each time the Investment 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 his/her Investment Profile and causes Wealthfront to recommend a new Investment Plan or revise the existing Plan; (D) each time the Advisory Fee (described in Section 5) is charged and paid from such Account; (E) any time Wealthfront adjusts its algorithm by which the composition of the Account is maintained as specified for the Investment Plan; and (F) when adjustments are made pursuant to a glide path progression. On any such adjustment, Wealthfront may adjust the Investment Plan in its discretion to approximate the composition specified in the Investment Plan as closely as reasonably practicable based on the conditions at the time.

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

**4. Confidentiality.** Except as required by law or requested by regulatory authorities, (a) Wealthfront agrees to maintain in strict confidence all of Client's non-public personal and financial information that Client furnishes to Wealthfront, 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 in connection with the Account. Client agrees that Client shall not use investment recommendations and other confidential information Client receives from Wealthfront for any purpose other than managing the Accounts, including, but not limited to, developing a service that competes with the Site or Wealthfront's services. Client acknowledges receipt of Wealthfront's Privacy Policy available at [www.wealthfront.com/legal/privacy](http://www.wealthfront.com/legal/privacy). Client further acknowledges that the Plan's recordkeeper and custodian and the issuer of the Securities in which the Client will invest pursuant to the Plan will have access to Client's non-public personal and financial information that Client furnishes to Wealthfront.

#### **5. Advisory Fee.**

(a) Wealthfront specifies the annual fee rate it charges a Client (the "Advisory Fee") and posts the Advisory Fee on the Client's Account page on the Site. 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).

i. 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 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 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.

ii. 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, Client shall pay any outstanding aggregate daily fees for the period from the day immediately following the last day of the last calendar month for which Client has paid, through the effective date of such withdrawal or termination, as of such effective date.

(b) If, for any reason, Wealthfront shall close and liquidate all the positions held in the Accounts, Client may receive the proceeds of the liquidated portion of the Accounts, and this Agreement shall terminate.

(c) If for any reason there is insufficient cash available in the Accounts to cover Wealthfront's fees at the time they are charged and deducted from the Accounts, Wealthfront, in its sole discretion, may cause Securities in the Account to be liquidated to cover its fees.

(d) Wealthfront reserves the right, in its sole discretion, to reduce or waive the Advisory Fee for certain Client Accounts for any period of time determined by Wealthfront. In addition, Client agrees that Wealthfront may waive its fees for the Accounts of Clients other than Client, without notice to Client and without waiving its fees for Client.

**6. Valuation.** The assets in the Account will be valued by the Plan's recordkeeper and custodian, and Broker shall also execute, or cause to be executed through Plan's recordkeeper and custodian, all orders for purchases, redemptions or sales.

**7. Responsibility for Expenses.** Wealthfront does not receive any compensation from the issuers of the investment products it recommends. Clients may bear additional fees, however, such as fees embedded in the products (municipal fund securities and their underlying ETFs) held in the Account.

**8. Payment of Fees.** Wealthfront shall inform the Plan recordkeeper of the amount of the Advisory Fee to be paid to Wealthfront 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 or by email at the address(es) provided by Client to Wealthfront.

**9. Broker to Be Used.** Broker shall execute or cause the Plan recordkeeper and custodian to execute all transactions. Client understands and agrees that Wealthfront's brokerage practices shall be consistent with the disclosure in Wealthfront's 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 amended from time to time. Client represents and warrants that Client is satisfied with the terms and conditions relating to all services to be provided by Broker. Wealthfront shall not have any responsibility for obtaining for the Accounts the best prices or any particular commission rates. Client recognizes that Client may not obtain rates as low as it might otherwise obtain if Wealthfront had discretion to select broker-dealers other than Broker.

**10. Account Losses.** To the extent permitted under applicable law, Client understands and agrees that Wealthfront will not be liable to Client for any losses incurred by Client that arise out of or are in any way connected with any Securities transaction or other act or failure to act of Wealthfront under this Agreement, including, but not limited to, any tax liability asserted against Client by any federal, state or local authority with respect to the Accounts, so long as such recommendation or other act or failure to act does not constitute a breach of Wealthfront's fiduciary duty to Client. Client (and in addition, for trust accounts, Client Representative) shall indemnify and defend Wealthfront and Wealthfront's directors, officers, shareholders, employees and affiliates and hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, by reason of any act or omission of Client or Broker or any custodian, broker, agent or other third party selected by Wealthfront in a commercially reasonable manner or selected by Client, except such as arise from Wealthfront's breach of fiduciary duty to Client. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend Wealthfront and Wealthfront's directors, officers, shareholders, employees and affiliates and

hold them harmless from and against any and all claims, losses, damages, liabilities and expenses, as they are incurred, resulting from or in connection to Client's assertion of Client Representative's lack of proper authorization from Client to enter into this Agreement. Anything in this Section 10 or otherwise in this Agreement to the contrary notwithstanding, however, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws.

**11. 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 through the Site and by Wealthfront 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 Accounts, which may have adverse tax consequences, by notifying Wealthfront at any time provided that all partial withdrawals comply with Wealthfront's required Accounts minimums as posted on the Site and updated from time to time, unless Wealthfront otherwise consents in advance. Client's withdrawal of all of the Accounts under this Agreement will terminate this Agreement. Upon termination of this Agreement, Sections 8 (only as to fees accruing prior to termination), 10, 14, and 16 through 22 shall survive such termination. Client understands and agrees that Wealthfront may determine to liquidate immediately all holdings in the Investment Plan and the Account, which may have adverse tax consequences.

**12. Account Statements.** Client will receive account statements from Broker, which are the official records of the Accounts. Wealthfront may also provide information about the Account from time to time.

**13. Independent Contractor.** Wealthfront 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 and Client.

**14. Assignment.** Wealthfront may not assign this Agreement without the prior consent of Client, and, if applicable, the consent of any additional authorized signatories on behalf of Client, if and to the extent that such consent is required under the Investment Advisers Act of 1940, as amended, if applicable, or the California Corporate Securities Law of 1968, as amended, if applicable, and the rules and regulations thereunder. In the event of an assignment by Wealthfront, Wealthfront shall request written consent(s) of Client within a specified reasonable time (which shall not be less than thirty (30) days). If Client does not respond to such request within the time specified, Wealthfront shall inform Client that the proposed assignee will continue the advisory services of Wealthfront for a specified reasonable time (which shall not be less than thirty (30) days), and if Client does not respond to such second notice from Wealthfront, 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.

**15. Delivery of Information.** Client acknowledges electronic delivery of Wealthfront's brochure that would be required to be delivered under the Advisers Act (including the information in Part 2 of Wealthfront's Form ADV), which is available on the Site 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 agrees to annually deliver electronically, without charge, Wealthfront's brochure required by the Advisers Act.

**16. Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of 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.

**17. Arbitration.** The parties waive their rights to seek remedies in court, including any right to a jury trial. The parties agree that any dispute between or among any of the parties arising out of, relating to or in connection with this Agreement or the Accounts, including the determination of the scope and applicability of the agreement to arbitrate, shall be resolved exclusively through binding arbitration conducted under the auspices of JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The arbitration hearing shall be held in the county and state of the principal office of Wealthfront at the time the dispute arises. Disputes shall not be resolved in any other forum or venue. The arbitration shall be conducted by a retired judge who is experienced in resolving disputes regarding the securities business. The parties agree that the arbitrator shall apply the substantive law of California to all state law claims, that limited discovery shall be conducted in accordance with JAMS' Comprehensive Arbitration Rules and Procedures, and that the arbitrator may not award punitive or exemplary damages, unless (but only to the extent



that) such damages are required by statute to be an available remedy for any of the specific claims asserted. In accordance with JAMS' Comprehensive Arbitration Rules and Procedures, the arbitrator's award shall consist of a written statement as to the disposition of each claim and the relief, if any, awarded on each claim. The award shall not include or be accompanied by any findings of fact, conclusions of law or other written explanation of the reasons for the award. The parties understand that the right to appeal or to seek modification of any ruling or award by the arbitrator is severely limited under state and federal law. Any award rendered by the arbitrator shall be final and binding, and judgment may be entered on it in any court of competent jurisdiction in the county and state of the principal office of Wealthfront at the time the award is rendered or as otherwise provided by law. The parties shall maintain the confidential nature of the arbitration proceeding and the award, including when seeking to confirm or vacate the award in court, unless otherwise required by law or judicial decision.

**18. Notices.** All notices and communications under this Agreement must be made through the Site or by email. Wealthfront's 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.

**19. 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 may amend this Agreement from time to time by notifying Client by email or message to Client's Wealthfront user account, which amendment will be effective immediately (except as provided in Section 5(a)).

**20. Waiver or Modification.** Wealthfront'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's waiver or modification granted on one occasion be construed as applying to any other occasion.

**21. 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 in respect of the Plan, which are hereby cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

**22. No Third-Party Beneficiaries.** Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

## Wealthfront 529 Wrap Fee Brochure

Wealthfront Inc.  
900 Middlefield Rd., 2nd Fl.  
Redwood City, CA 94063  
www.wealthfront.com

### Item 1 Cover Page

**This wrap fee brochure (“Brochure”) provides information about the qualifications and business practices of Wealthfront Inc. (“Wealthfront” or “we” or “us”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”), in respect of the Wealthfront 529 college savings plan (the “Plan”). Registration does not imply a certain level of skill or training but only indicates that Wealthfront 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 (650) 249-4250 or [support@wealthfront.com](mailto:support@wealthfront.com). Additional information about Wealthfront is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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### **Item 3 Material Changes**

Since the last updating amendment to Wealthfront's Form ADV Part 2 brochure on August 9, 2016, this Brochure been created to describe the Wealthfront 529 Wrap Fee Program in respect of the Plan.

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

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

Wealthfront is an automated investment service registered with the SEC. Wealthfront sponsors portfolio management services for its Clients in respect of the Plan through the Wealthfront 529 Wrap Fee Program. This program is made available via Wealthfront Brokerage Corporation ("Wealthfront Brokerage"). Wealthfront is a privately held company headquartered in Redwood City, CA. Additional information about Wealthfront's products, structure and directors is provided on Part 1 and Part 2 of Wealthfront's Form ADV which is available online at <http://www.adviserinfo.sec.gov>. We encourage visiting our website [www.wealthfront.com/529](http://www.wealthfront.com/529) or our related mobile application (the "Site" or the "App") for additional information about the firm and the Plan.

#### **B. 529 Plans**

The Plan is a "529 plan," *i.e.*, a qualified tuition program sponsored by a state and established under and operated in accordance with Section 529 of the Internal Revenue Code. 529 plans help families save for future college costs. They enable individuals and certain trusts to accumulate savings for qualifying higher education costs of beneficiaries by purchasing interests in a state-created 529 plan trust, which interests are "municipal fund securities." Proceeds from sales of state 529 plan trust interests are in turn invested in one or more investments. Any earnings on these interests are tax deferred and may be withdrawn on a tax-free basis if used to pay for a qualified higher education expense.

#### **C. Summary of Wealthfront's 529 Advisory Services**

Wealthfront offers a unique automated investment service based on modern portfolio theory that makes it possible for anyone to access state-of-the-art portfolio management in the context of a 529 plan. Each individualized portfolio is designed to be consistent with Clients' investment objectives and risk tolerances. We create an investment plan and manage a Client's 529 portfolio by seeking to identify: 1) the optimal asset classes in which to invest, 2) the most efficient exchange traded funds ("ETFs") or other investments to represent each of those asset classes, 3) the ideal mix of asset classes based on the Client's specific risk tolerance, and 4) the most appropriate time to rebalance the Client's portfolio to maintain intended risk tolerance and optimal return for the Client's risk level.

Under the Plan, Wealthfront constructs a portfolio for its Client using up to nine separate municipal fund securities, each of which contains a single underlying ETF representing a separate asset class. Wealthfront designs the Client's portfolio to provide a diversified asset allocation based on the Client's individual risk tolerance as reflected by the client's risk score, which is determined by the Client's responses to a risk questionnaire completed during the application process. Using the risk score, Wealthfront assigns the Client's portfolio to one out of 20 "glide paths," each of which determines how the Client's portfolio's allocations of municipal fund securities will change over time. Each glide path gradually shifts the asset allocations of the municipal fund securities in the Client's portfolio to progressively decreasing levels of expected risk as the expected matriculation date of the Client's beneficiary (the "Beneficiary") approaches. The Client's starting point along the specific glide path is determined by the Beneficiary's expected matriculation date. Thus, two Clients with identical risk scores and Beneficiaries of different ages will transition along the same glide path, but will start at different points on the glide path due to the different investment time horizons.

#### D. Tailored Services and Investment Restrictions

Wealthfront tailors its software based 529 financial advisor service to the individual needs of each of its Clients and subject to certain product features and account limitations that prospective investors should consider, as described further below in Item 6. Accounts for Clients (“Client Accounts” or “Accounts”) are opened and maintained according to a Wealthfront Client 529 Account Agreement (the “Account Agreement”) between the Client and Wealthfront, which describes the discretionary authority that a Client grants to Wealthfront, a Customer 529 Brokerage Agreement (the “Brokerage Agreement”) with Wealthfront Brokerage, which establishes the Client’s brokerage account and through which Broker provides the necessary basic brokerage services, and a Participation Agreement (“Participation Agreement”) between the state 529 plan trust and the Client that establishes the Client’s 529 account, which is managed by Wealthfront pursuant to the Account Agreement.

To tailor its software based 529 financial advisor services to each Client, Wealthfront uses its advanced algorithms, which are based on academic behavioral economics research, to pinpoint an investor’s risk tolerance. Wealthfront asks each prospective Client a series of questions to evaluate both the individual’s objective ability to take risk and subjective willingness to take risk. We ask subjective risk questions to determine both the level of risk an individual is willing to take and the consistency among the answers. For example, if an individual is willing to take a lot of risk in one case and very little in another, then the individual is deemed inconsistent and is therefore assigned a lower risk tolerance score than the simple weighted average of her answers. We ask objective questions to estimate with as few questions as possible whether the individual is likely to have enough money saved at here beneficiary’s matriculation to afford her Beneficiary’s likely spending needs. The greater the excess income, the more risk the Client is able to take. Clients may not specify investments in which Client Account may not invest.

#### E. 529 Wrap Fee Program

Assets of Wealthfront Plan Clients are managed as part of Wealthfront’s 529 Wrap Fee Program. A wrap account is a professionally managed investment plan in which all expenses, including brokerage commissions, management fees, and administrative costs, are “wrapped” into a single charge. Wealthfront’s 529 Wrap Fee Program provides Clients investment guidance, portfolio management, and necessary basic brokerage services for one comprehensive fee based on a percentage of individual account assets.

Wealthfront may buy, redeem or sell securities consistent with analysis designed to seek an investment return suitable to the investment objectives and goals of each distinct Client Account. Wealthfront determines a suitable course of action by performing a review of each Client’s individual Account and suitability parameters. This review may include type of Account (529 plan), investment objectives, overall financial condition, income and tax status, personal and business assets, risk tolerance, and other factors unique to the individual Client’s situation. Based on Client suitability parameters, Wealthfront will design, revise, and reallocate a Client’s custom portfolio as described in Item 4.C above. Wealthfront manages each Client Account on an individualized basis.

In order to implement Wealthfront’s continuous investment advice, we provide this 529 Wrap Fee Program only on a discretionary basis. Wealthfront will contact Clients periodically to determine whether their financial situations or investment objectives have changed, or if they want to modify their Accounts.

#### F. 529 Advisory Fees

Wealthfront is compensated for its 529 advisory services by charging a fee based on the net market value of a Client’s Account. Wealthfront reserves the right, in its sole discretion, to reduce or waive the advisory fee for certain Client Accounts for any period of time determined by Wealthfront. In addition, Wealthfront may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

Wealthfront’s software based financial advisor service currently charges an annualized fee of 0.25% on net market value of a Client’s Account, which fee is not negotiable. In many cases Clients have the opportunity to have a portion of their Account assets managed for free. Annual fees are charged on a monthly basis as explained below.

Wealthfront's fees are not charged in advance and are calculated on a continuous basis and deducted from Client Accounts each month as follows: Wealthfront 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, e.g., for the current fee waiver on the first \$10,000 of assets and for Plan Clients who are residents of the State of Nevada at the time the fee is computed an additional fee waiver on the next \$15,000 of assets (for a total fee waiver for the first \$25,000 of assets)) and is deducted from Client Accounts no later than the tenth business day of the following month.

Wealthfront may pay Broker amounts out of the proceeds of the Wealthfront advisory fee pursuant to an agreement between Wealthfront and Broker.

#### G. Other 529 Account Fees

Wealthfront is a "fee only" investment advisor, and other than its advisory fee described above, neither we nor our employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Client Accounts. This means that Clients will not be sold products or services that create additional fees or compensation to benefit Wealthfront or its employees or its affiliates other than those described in this Brochure. However, in addition to advisory fees, Clients may also pay other fees or expenses to third-parties. The issuer of some of the securities or products we purchase for Clients, such as Plan municipal fund securities, ETFs or other similar financial products, may charge product fees that affect Clients. Wealthfront does not charge these fees to Clients, and does not benefit directly or indirectly from any such fees. A Plan municipal fund security or an ETF typically includes embedded expenses that may reduce the Plan municipal fund security's or ETF's net asset values, and therefore may directly affect the Plan municipal fund security's or ETF's performances and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of a municipal fund security may include an administrative/recordkeeping fee and a state fee, and expenses of an ETF may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. Municipal fund security expenses may change from time to time at the sole discretion of the 529 state trust, and ETF expenses may change from time to time at the sole discretion of the ETF issuer. Wealthfront discloses each municipal fund security's and ETF's current information, including expenses, on the Site.

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

The minimum amount required to open and maintain a Plan Account is \$500. Clients can be individuals or certain trusts. Clients have real-time access to their Accounts through the Site. Additional requirements for opening an Account with Wealthfront are described in Item 4, above.

At any time, a Client may terminate an Account, or withdraw all or part of an Account, or update her investment risk profile (but may change her profile only up to two times per year or upon a[n eligible] change of Beneficiary), which may initiate an adjustment in the Accounts' holdings. In that case, unless otherwise directed by the Client, Wealthfront will redeem or sell the securities in the Client Account (or portion of the Account, in the case of a partial withdrawal or update) at market prices at the time of the termination, withdrawal or update.

Investors evaluating Wealthfront's software based 529 financial advisor service should be aware that Wealthfront's relationship with Clients is likely to be different from the "traditional" investment advisor relationship in several aspects:

Wealthfront is a software-based financial advisor, which means each Client must acknowledge her ability and willingness to conduct her relationship with Wealthfront on an electronic basis. Under the terms of the Account Agreement and Brokerage Agreement, each Client agrees to receive all Account information and Account documents (including this Brochure), and any updates or changes to same, through her access to the Site and

Wealthfront's electronic communications. Unless noted otherwise on the Site or within this Brochure, Wealthfront's advisory service, Wealthfront's Brokerage's brokerage services, the signatures for the Account Agreement, the Brokerage Agreement, the Participation Agreement, and all documentation related to the advisory and brokerage services are managed electronically. Wealthfront does make individual representatives available to discuss servicing matters with Clients.

To provide its advisory services and tailor its investment decisions to each Client's specific needs, Wealthfront collects information from each Client, including specific information about her investing profile such as financial situation, risk tolerance, and investment objectives. Wealthfront maintains this information in strict confidence subject to its Privacy Policy, which is provided on the Site. (The Plan's recordkeeper and custodian and the issuer of the Securities in which the Client will invest pursuant to the Plan will have access to Client's non-public personal and financial information that Client furnishes to Wealthfront.) When customizing its investment solutions, Wealthfront relies upon the information received from a Client. Although Wealthfront contacts its Clients periodically as described further in Item 7 below, a Client must promptly notify Wealthfront of any change in her financial situation or investment objectives that might require a review or revision of her Account's portfolio.

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

For its software-based 529 financial advisor service, Wealthfront provides Clients with financial advice that 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 only been available through high-end financial advisors who typically require minimum account sizes of at least \$1 million and charge annual fees of at least 1% of assets under management. Wealthfront's goal is to enable anyone with at least \$500 to access the benefits of MPT.

Prior to the launch of the Wealthfront software-based financial advisor 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 algorithms applied to more detailed questions than are typically asked by investment advisers. Based on this risk analysis, Wealthfront seeks to create an individualized investment plan using the optimal asset classes in which to invest, the most efficient and inexpensive ETFs (to underlie the Plan's municipal fund securities) to represent each of those asset classes, and the ideal mix of asset classes based on the Client's specific risk tolerance. For the Plan, Wealthfront uses Mean Variance Optimization to rigorously evaluate every possible combination of the following nine asset classes: US equities, foreign developed markets equities, emerging markets equities, dividend growth equities, real estate, treasury inflation protected securities (TIPS), 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 expected return for any given standard deviation of a portfolio's returns.

Wealthfront's software-based 529 financial advisor service generally includes preselected municipal fund securities (each with a single underlying ETF) for each asset class within the plan recommended to a Client by Wealthfront. Wealthfront does not allow Clients to select their own municipal fund securities because each municipal fund security and asset class is considered to be part of the overall investment plan. Investors with specific restrictions are not permitted to become Clients.

Wealthfront continuously monitors our Clients' 529 portfolios and periodically rebalances them back to the Clients' target mix in an effort to optimize returns for the intended level of risk as well as the applicable glide path. We

consider tax implications and the volatility associated with each of our chosen asset classes when deciding when and how to rebalance.

Wealthfront does not charge performance-based fees. Our advisory fees are only charged as disclosed above in Item 4.F.

### **Risk Considerations**

Wealthfront cannot guarantee any level of performance or that any Client will avoid a loss of Account assets. **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's services in respect of the Plan. 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's 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's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Wealthfront's judgment may prove to be incorrect, and a Client might not achieve her investment objectives. Wealthfront also may make future changes to the investing algorithms and advisory services that it provides. In addition, it is possible that Clients or Wealthfront itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Wealthfront's software-based financial advisory service. Wealthfront and its representatives are not responsible to any Client for losses unless caused by Wealthfront breaching its fiduciary duty.

**Volatility and Correlation Risk** – Clients should be aware that Wealthfront's asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client, 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.**

**Valuation Risk** – High volatility and/or the lack of deep and active liquid markets for some securities (including the ETFs underlying the Plan municipal fund securities) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios, which may lead to valuation difficulties. While the Plan's custodian and recordkeeper value the municipal fund securities (and their underlying ETFs) held in Client Accounts based on reasonably available exchange-traded security data, they 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.

**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 or securities trading regulation; change in the U.S. 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



**Foreign Investing and Emerging Markets Risk** - Foreign investing involves risks not typically associated with U.S. 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 U.S., 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 U.S. accounting practices and foreign regulation may be inadequate or irregular.

**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 U.S. dollar-denominated assets primarily managed by Wealthfront may be affected by the risk that currency devaluations affect Client purchasing power.

**No Guarantee of Principal Or Earnings; No Insurance** - The value of a Client's 529 Account may increase or decrease over time based on the performance the municipal fund securities that constitute the Client's portfolio. It is possible that, at any given time, the Client's portfolio value may be less than the total amount contributed. None of the Plan, the state trust, Wealthfront or other Plan-related entities or individuals is an insurer of, makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. **The Client should be aware that she could lose all or a portion of her investment, depending on market conditions.**

An investment in the Plan is not a bank deposit. The Plan is not insured or guaranteed. None of the Account, the principal the Client invests, nor any investment return is insured or guaranteed by the Plan, the state trust, Wealthfront or other Plan-related entities or individuals, the federal government, the Federal Deposit Insurance Corporation, or any other governmental agency.

Relative to investing for retirement, the holding period for college investors is very short (e.g., 5-20 years versus 30-60 years). Also, the need for liquidity during the withdrawal phase (to pay for qualified higher education expenses) generally is very important. The Client should strongly consider the level of risk she wishes to assume when completing the risk questionnaire upon Account opening.

**Limited Investment Direction** - The Client may not direct the underlying investments in an Account. The ongoing money management is the responsibility of Wealthfront. The only manner in which the Client can affect the money management is to change her risk score, which is limited to two times per year, or upon the change of the Beneficiary. The choice of the underlying investments of the municipal fund securities is subject to the approval of the board of trustees of the state 529 plan trust (the "Board"). Automatic investment exchanges that occur as the Client's assets move through the glide path do not count towards your twice per calendar year investment exchange limit.

**Liquidity** - Investments in a 529 Plan are considered less liquid than other types of investments (e.g., investments in mutual fund shares) because the circumstances in which an Account owner may withdraw money from a 529 Plan account without a penalty or adverse tax consequences are significantly more limited.

**Potential Changes to the Plan** - The Board reserves the right, in its 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 municipal fund securities; close a particular municipal fund security to new investors; or change the Plan's program manager or the underlying investment(s) of a municipal fund security. Depending on the nature of

the change, the Client may be required to, or prohibited from, participating in the change with respect to Accounts established before the change. The current program manager for the Plan may not necessarily continue as Plan's program manager, and Wealthfront may not necessarily continue as investment adviser and distributor to the Plan (although Wealthfront will continue as the Client's investment adviser until either Wealthfront or the Client terminates that investment advisory relationship).

If the Client has established Accounts prior to the time such changes are made to the Plan, the Client may be required to participate in such changes or may be prohibited (according to Section 529 regulations or other guidance issued by the Internal Revenue Service) from participating in such changes, unless the Client opens a new Account. Furthermore, the Board may terminate the Plan by giving written notice to the Client, but the Plan may not thereby be diverted from the exclusive benefit of the Client and the Beneficiary.

During the transition from one underlying investment to another underlying investment, a Plan municipal fund security may be temporarily uninvested and lack market exposure to an asset class. 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 Plan municipal fund security and Client Portfolios holding that Plan municipal fund security.

**Status of Federal And State Law And Regulations Governing The Plan** - Federal and state law and regulations governing the administration of 529 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 an Account or the Plan. The Client should also consider the potential impact of any other state laws on the Client's Account. The Client should consult your tax advisor for more information.

**No Indemnification** - Neither the Plan, the state trust, Wealthfront or other Plan-related entities or individuals, nor any other person will indemnify the Client or the Beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of Board members or state employees.

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

- In making decisions about eligibility for financial aid programs offered by the U.S. government and the amount of such aid required, the U.S. Department of Education takes into consideration a variety of factors, including among other things the assets owned by the student (*i.e.*, the Beneficiary) and the assets owned by the student's parents. The U.S. Department of Education generally expects the student to spend a substantially larger portion of his or her own assets on educational expenses than the parents.
- For federal financial aid purposes, Account assets will be considered (i) assets of a student's parent, if the student is a dependent student and the owner of the Account is the parent or the student, or (ii) assets of the student, if the student is the owner of the Account and not a dependent student.
- For purposes of financial aid programs offered by states, other non-federal sources, and educational institutions, the treatment of Account assets may follow or differ from the treatment described above for federal financial aid purposes. Clients and Beneficiaries are advised to consult a financial aid professional and/or the state or educational institution offering a particular financial aid program, to determine how assets held in an Account may affect eligibility for financial aid.
- Under Nevada law, assets in an Account are not taken into consideration in determining the eligibility of the Beneficiary, parent or guardian of the Account for a grant, scholarship or work opportunity that is based on need and offered or administered by a state agency, except as otherwise required by the source of the funding of the grant, scholarship or work opportunity.

The federal and non-federal financial aid program treatments of assets in a 529 plan are subject to change at any time. Clients therefore should check and periodically monitor the applicable laws and other official guidance, as well as particular program and institutional rules and requirements, to determine the impact of 529 plan assets on eligibility under particular 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 the Client's 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 an Account over any relevant period of time.

**Education Savings and Investment Alternatives** - In addition to the Plan, there are many other 529 plans, including programs designed to provide prepaid tuition and certain other educational expenses, as well as other education savings and investment alternatives. These alternative programs may offer different investment vehicles and may result in different tax and other consequences. They may have different eligibility requirements and other features, as well as fees and expenses that may be more or less than those charged by the Plan. Clients should consider other investment alternatives before establishing an Account.

**No Guarantee of Admittance** - Participation in the Plan does not guarantee or otherwise provide a commitment that the Beneficiary will be admitted to, allowed to continue to attend, or receive a degree from any educational institution. Participation in the Plan also does not guarantee that a Beneficiary will be treated as a state resident of any state for tuition or any other purpose.

**Medicaid and Other Federal And State Benefits** - The effect of an Account on eligibility for Medicaid or other state and federal benefits is uncertain. There can be no assurance that an Account will not be viewed as a "countable resource" in determining an individual's financial eligibility for Medicaid. Withdrawals from an Account during certain periods may also have the effect of delaying the disbursement of Medicaid payments. Clients should consult a qualified advisor to determine how an Account may affect eligibility for Medicaid or other state and federal benefits.

**Suitability and Education Savings Alternatives** - Neither the Board nor the Plan's program manager makes any representations regarding the suitability or appropriateness of the municipal fund securities or Client's portfolio as an investment. Other types of investments may be more appropriate depending upon an individual's financial status, tax situation, risk tolerance, age, investment goals, savings needs, and investment time horizons of the Client or the Beneficiary.

There are programs and investment options other than the Plan available as education investment alternatives. They may entail tax and other fee or expense consequences and features different from the Plan including, for example, different investments and different levels of Client control. Anyone considering investing in the Plan may wish to consider these alternatives prior to opening an Account.

**Differences Between Performances of Plan Municipal Fund Securities And Underlying ETFs** - The performances of the Plan municipal fund securities will differ from the performances of the ETFs underlying the Plan municipal fund securities. This is primarily due to differences in expense ratios and differences in the trade dates of municipal fund securities purchases and the purchases of the underlying ETFs. The Plan municipal fund securities and the underlying ETFs have different expense ratios over comparable periods of time, so, all other things being equal, there also will be performance differences between the Plan municipal fund securities and the underlying ETFs. Performance differences also are caused by differences in the trade dates of the Client's Plan municipal fund securities purchases and the underlying ETF purchases. When the Client invests money in a Plan municipal fund security, the Client will receive state trust interests as of the appropriate trade date. The state trust will use the that money to purchase the underlying ETFs to be held in the municipal fund security(ies) that make up

a Client's portfolio. However, the trade date for the state trust's purchase of the underlying ETF typically will be one (1) business day after the trade date for the Client's purchase of trust interests of the selected municipal fund security. Depending on the amount of cash flow into or out of the Plan municipal fund security and whether the underlying ETF is going up or down in value, this timing difference will cause the Plan municipal fund security's performance either to trail or exceed the underlying ETF's performance.

**Differences Between Performances Of Client Portfolios and Municipal Fund Securities** - The performance of each Client's portfolio will differ from the Plan municipal fund securities because it is a mix of one or more of the Plan municipal fund securities. Thus, a Client portfolio's performance may lag that of any one Plan municipal fund security due to the lower performances of other Plan municipal fund securities included in the Client's portfolio.

**Municipal Fund Securities Investment Risk** - Accounts are subject to a variety of investment risks that will vary depending upon the municipal fund security and the ETF underlying that Plan municipal security. See the Plan Description and Participation Agreement available at [www.wealthfront.com/529](http://www.wealthfront.com/529) for further discussions of the investment objective and principal risks of each underlying ETF Investment. With respect to the underlying ETF, please remember that the information is only a summary of the main risks of each underlying ETF Investment; please consult each underlying ETFs prospectus and statement of additional information for additional risks that apply to each underlying ETF.

**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 Depositary 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.

An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance, thereby affecting the related Plan municipal fund security's performance, and indirectly affecting a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment adviser 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 discloses each underlying ETF's current information, including expenses, in the Plan Description and Participation Agreement available at [www.wealthfront.com/529](http://www.wealthfront.com/529). ETF tracking error and expenses may vary.

Clients should be aware that to the extent they invest in Plan municipal fund securities, which investment in turn invests in ETF securities, they will pay two levels of compensation – advisory fees charged by Wealthfront plus any management fees charged by the Plan recordkeeper and the Board at the municipal security level, plus any management fees charged by the adviser or sponsor of the ETF at the ETF level. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

**Client Portfolio Investment Risk** - Accounts are subject to a variety of investment risks that will vary depending upon the Plan municipal fund security(ies) that constitute a Client's portfolio. See the Plan Description and Participation Agreement available at [www.wealthfront.com/529](http://www.wealthfront.com/529). Moreover, it is possible that various risks of Plan municipal fund securities could combine to present greater risks than any single Plan municipal fund security.

### **Voting Client Securities**

Wealthfront, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and

procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Clients may request information regarding how Wealthfront voted a client's proxies, and clients may request a copy of the firm's proxy policies and procedures by emailing <http://support@wealthfront.com>.

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

On a quarterly basis, Wealthfront contacts each Client to remind them to review and update the profile information they previously provided. Wealthfront 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 support team. Currently the Wealthfront team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: the Chief Compliance Officer with help from Client Services.

Wealthfront conducts separate reviews related to the ETFs used for the Plan municipal fund securities making up Client 529 portfolios. These reviews are approved by Wealthfront's Investment Committee, which has the authority, if necessary, to recommend to the Board for the Board's action, in its sole discretion, up to and including the removal, addition or replacement of an ETF, from the Plan municipal fund securities making up the portfolios advised by Wealthfront.

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

All client contacts and communications regarding participation in the Wrap Fee Program will occur through contact with Wealthfront via email or the Site. Subject to the tax limitation of only two changes to the Client's risk score and profile per tax year or upon a change of Beneficiary, Wealthfront will promptly make any changes to client's investment objectives and financial situation. If tax law prevents a change to the Client's risk score and profile, the Client will bear the risk and consequences of the Client's portfolio potentially not corresponding to the risk score and profile corresponding to Client's changed circumstances until such time as applicable law permits the change to the Client's risk score and profile.

### **Item 9 Additional Information**

#### **Disciplinary Information**

Like all registered investment advisers, Wealthfront is obligated to disclose any disciplinary event that might be material to any Client when evaluating our services. We do not have any legal, financial, regulatory, or other "disciplinary" item to report to any Client. This statement applies to our firm and to every employee of our firm.

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

Wealthfront utilizes its wholly-owned subsidiary, Wealthfront Brokerage Corporation, to effect transactions on behalf of our Clients. Wealthfront Brokerage is a broker registered with the Financial Industry Regulatory Authority and the U.S. Securities & Exchange Commission, whose sole purpose is to service Wealthfront's Clients. In respect to the Plan, Wealthfront Brokerage instructs the Plan's recordkeeper and custodian on behalf of Wealthfront, where applicable, to provide execution services for the Client's 529 Account transactions pursuant to the authority the Client has given under the applicable Account Agreement and Brokerage Agreement.

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

Wealthfront's paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its Clients. This means that Wealthfront 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 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's Code of Ethics is detailed in a Statement of Policies and Procedures ("Statement"), which establishes standards of conduct for Wealthfront's officers, employees and others ("Supervised Persons" as defined in the Statement) and is consistent with the Code of Ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Statement includes general requirements that all Supervised 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 employee receives a copy of the Statement when hired by Wealthfront. Wealthfront sends copies of any amendments to the Statement to all Supervised Persons, who must acknowledge in writing having received the Statement and the amendments. Annually or as otherwise required, each Supervised Person must confirm to Wealthfront that he or she has complied with the Statement during such preceding period.

Under the Statement, Wealthfront's directors and Supervised Persons may personally invest in securities recommended on the Site with respect to the Plan, specifically the Plan municipal fund securities and the ETFs underlying the Plan municipal fund securities representing each asset class. Transactions in Plan municipal fund securities and their underlying ETFs have been pre-approved for trading by Wealthfront's Chief Compliance Officer based on the security's liquidity profile and structural characteristics. Supervised Persons also may buy or sell specific securities for their own accounts that are not purchased or sold for Clients. Wealthfront monitors the securities transactions of all Supervised Persons and investigates any unusual patterns that it detects. It also requires all Supervised Persons to report any violations of the Statement promptly to Wealthfront's Chief Compliance Officer.

### **Review of Accounts**

Wealthfront provides all Clients with continuous access via the Site to real-time reporting information about Account status, securities positions and balances. Clients also may receive periodic e-mail communications describing portfolio performance, Account information, and product features.

Wealthfront's software based 529 financial advisor service assumes that a portfolio created using MPT-based techniques will not stay optimized over time, and must be periodically rebalanced back to its original targets to maintain the intended risk level and asset allocations. Wealthfront reviews each Client's Account when it is opened, and continuously monitors and periodically rebalances each Client's portfolio to seek to maintain a Client's targeted risk tolerance and optimal return for the Client's risk level. Wealthfront also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. Wealthfront also determines how the Client's portfolio's allocations of Plan municipal fund securities will change over time pursuant to the assigned glide path. Each glide path gradually shifts the asset allocations of the municipal fund securities in the Client's portfolio to progressively decreasing levels of expected risk as the expected matriculation date of the Beneficiary approaches

On a quarterly basis, Wealthfront contacts each Client to remind them to review and update the profile information they previously provided. Wealthfront 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 support team. Currently the Wealthfront team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: the Chief Compliance Officer with help from the client services team.

Wealthfront conducts separate reviews related to the ETFs used for the municipal fund securities making up Client 529 portfolios. These reviews are approved by Wealthfront's Investment Committee, which has the authority, if necessary, to recommend to the Board for the Board's action, in its sole discretion, up to and including the removal, addition or replacement of an ETF, from the municipal fund securities making up the portfolios advised by Wealthfront.

### **Client Referrals and Other Compensation**

Wealthfront expects from time to time to run promotional campaigns to attract Clients to open 529 Accounts on the Site. These promotions may include additional Account services or products offered on a limited basis to select Clients, more favorable fee arrangements, and/or reduced or waived advisory fees for Clients.

These arrangements may create an incentive for a third-party or other existing Client to refer prospective Clients to Wealthfront, 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 if doing so would result in eligibility to receive an incentive, bonus or additional compensation.

Wealthfront may also pay pre-determined fees to third-parties for driving new users to Wealthfront, which may be in the form of so-called CPM, CPC or CPA arrangements (respectively, impressions, clicks or actions through other websites).

Wealthfront engages solicitors whom it pays for Client referrals. Wealthfront discloses this practice in writing to the affected Clients and complies with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

### **Financial Information**

Wealthfront 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.

## Wealthfront Electronic Agreement and Disclosure Statement

BY CONTINUING WITH THIS ONLINE APPLICATION, YOU AGREE THAT UNLESS INDICATED OTHERWISE THE AGREEMENTS AND THE DISCLOSURES REQUIRED TO BE PROVIDED AT THE TIME OF APPLICATION FOR A CLIENT ACCOUNT AND ALL FUTURE ACCOUNTS WILL BE PROVIDED ELECTRONICALLY. READ THE INFORMATION BELOW CAREFULLY BEFORE CONSENTING TO RECEIVE INFORMATION ELECTRONICALLY AT THIS WEBSITE, THROUGH OUR RELATED MOBILE APPLICATION AND VIA ELECTRONIC MAIL ("EMAIL").

**YOU SHOULD PRINT OR SAVE THIS STATEMENT BY USING THE "PRINT" OR "FILE SAVE" OPTIONS ON YOUR INTERNET BROWSER.**

In this Electronic Agreement and Disclosure Statement ("Statement"), please remember that "you" and "your" refer to the person who is establishing a Client Account, as well as any future accounts, and "we", "us" and "our" refer to Wealthfront Inc. ("Wealthfront") and Wealthfront Brokerage Corporation ("Broker") as the case may be. Agreements and other information will be provided to you electronically unless indicated otherwise. Included in those agreements and other information will be disclosures required by the Investment Advisers Act of 1940, as amended (the "Act"), the Securities Exchange Act of 1934, as amended (the "1934 Act") and other laws ("disclosures"). The agreements and other disclosures to be provided to you electronically include but are not limited to:

- Wealthfront Client 529 Account Agreement with Wealthfront and all amendments, notices and other agreements that supplement the Wealthfront Client 529 Account Agreement;
- Customer 529 Brokerage Agreement with Broker and all amendments, notices and other agreements that supplement the Customer 529 Brokerage Agreement;
- Participation Agreement with the 529 state trust;
- Any other Wealthfront agreements pertaining to future 529 accounts that you may establish and all amendments, notices and other agreements that supplement those agreements;
- Wealthfront's [Form ADV Part 2](#), 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 and reports and/or performance reports.

By opening an Account, and then accessing your Account, you are accepting this Statement and you are agreeing to receive electronically the agreements and other information listed in the bulleted paragraphs above, including the disclosures. Your consent to receive information electronically will apply only to the agreements and other information listed in the bulleted paragraphs above, including the disclosures.

Information regarding your Account, including the disclosures, will be available on the Wealthfront website, [www.Wealthfront.com/529](http://www.Wealthfront.com/529) or our related mobile application (the "Site" or "App") through your Wealthfront User Account for at least two years following the termination of your status as a Wealthfront Client. After that, the information will be available upon request by contacting us at [support@wealthfront.com](mailto:support@wealthfront.com). When revised or new disclosures are available on the Site or App, we will send a message to your Wealthfront user account, or otherwise notify you of their availability.

You are responsible for maintaining a valid email address and software and hardware to receive, read and send email. You must provide us with your current email address and promptly notify us of any changes to your email address in your User Account on the Site or App.

To receive electronically the agreements and other information listed in the bulleted paragraphs above, including the disclosures, you will need a compatible operating system and web browser, and you will need access to a printer or the ability to download information in order 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. You must periodically refer to the website 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.

For client support or technical assistance regarding your Account, including the disclosures, you may send an email to [support@wealthfront.com](mailto:support@wealthfront.com). You may obtain a paper copy of the agreements and other information listed in the first, second, third and fourth bulleted paragraphs above, including the disclosures, at any time by notifying us using any of the methods described in the immediately preceding paragraph for client support. We will not charge you a fee for the paper copy. This consent will apply on an ongoing basis unless you withdraw your consent. You may withdraw your consent to receive electronically the agreements and other information listed in the bulleted paragraphs above, including the disclosures. However, if you do withdraw your consent, Wealthfront may cancel your Account. To withdraw your consent, please notify us by sending an email to [support@wealthfront.com](mailto:support@wealthfront.com).

By opening an Account, and then accessing your Account, you are indicating that you have reviewed our privacy and security policies on the Site. You are also acknowledging that your initial use of an Account will constitute your agreement to be bound by the terms and conditions of the agreements and other information listed in the first, second, third and fourth bulleted paragraphs above, including the disclosures.

By clicking "I Agree" below or on the application page you acknowledge that you have read, understand, and agree to be bound by the terms above. If you do not agree to be bound by the terms above but would like to establish an Account, DO NOT continue with the online process. Instead, please email us at [support@wealthfront.com](mailto:support@wealthfront.com). Because the Wealthfront Client Account relates to the functionality of the Wealthfront website and mobile application, Wealthfront reserves the right to refuse to establish a Client Account that is not subject to this Statement. **You agree that the agreement and disclosures required to be provided at the time of application and any supplemental agreements or subsequent notices of changes will be provided electronically, and you confirm that you will download or print all electronically-provided documents for your records.** You acknowledge that you can access the disclosures, agreements and information that are provided electronically on the Site, App and via email.

## **Wealthfront Brokerage Corporation Disclosures**

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

Wealthfront Brokerage Corporation (“Wealthfront Brokerage”) 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, call us at (650) 249-4258.

**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 is our objective to restore operations and be able to complete existing transactions and accept new transactions and payments within 4-12 hours. Your orders 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.

# Privacy Policy

Effective Date: August 31, 2016

## 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 information. To insure your privacy we store your personal data ("Personal Data") on our own servers (i.e., not cloud-based hosting services). We avoid wherever possible using third party cloud-based tools that require us to share your Personal Data to use them. We will **never** rent, sell or trade your personal information to anyone. Ever.

## Introduction

Wealthfront Inc., together with our broker-dealer affiliate Wealthfront Brokerage Corporation (collectively, "Wealthfront", "we", "us" and/or "our"), operates an automated investment service ("Service"). Our Service is made available through our [website](#) and via applications that reside on mobile devices. This Privacy Policy describes how Wealthfront treats your Personal Data when you use or evaluate our service.

For the purpose of this agreement a *User* is an individual who uses our website or mobile application to evaluate our service, or for educational purposes and a *Client* is an individual who signs our [Client Agreement](#) that entitles the Client to have her or his investment portfolio managed by Wealthfront. Our Privacy Policy, [Terms of Use](#) and where applicable [Client Agreement](#) collectively govern your use or evaluation of our Service.

## Information Collection

The types of information we collect depend on whether you are a User or Client. We collect Personal Data from you when you voluntarily provide information to us. Examples of instances when we collect Personal Data include when you answer questions on our website or in our mobile application(s) to determine what kind of portfolio we might recommend if you were to become a Client, when you register to open an account, when you contact our client service organization with questions or when you become a Client. Wherever Wealthfront collects Personal Data, we make an effort to link to this Privacy Policy and other relevant terms, such as our Terms of Use.

### Information Collection from Users

We collect personal information such as name, address, telephone number and other optional information you may provide, such as your age, investable assets, and risk tolerance, which may include your financial goals and objectives, income information and other financial planning information about your household. We may also collect your e-mail address and/or telephone number should you opt to engage via our website, mobile app, email or dedicated telephone number with our client service team.

### Information Collection from Clients

If you choose to become a Client, in addition to the information we collect from you as a User, as described above, we will ask you for certain information, including, but not limited to, your full legal name, contact information, birth date, Social Security Number, citizenship, investment objectives, approximate net worth, and other regulatory disclosures that may be necessary and required under Federal and certain statutory law (see our [Client Agreement](#)).

We also collect account numbers and login credentials for the accounts (bank or brokerage) you choose to link to our Service, any challenge and/or security questions associated with those accounts and any information contained in those accounts.

### In General

Wealthfront's servers automatically record certain information ("Non-Identifiable" or "Aggregated Data") about your use or evaluation of our Service. Similar to other technology platforms and services, Wealthfront records information such as browsing activity, data displayed or clicked on (such as UI elements, ads, and links), and other

information (such as browser type, IP address, date and time of access, cookie ID, and referrer URL). Along with cookies, Wealthfront may also use third-party tracking technology, such as Google Analytics, to record similar information regarding you and your activity on the Site.

### **Use of Information**

Wealthfront stores, processes, and maintains data related to you in order to provide client support, offer new products or services and provide our Service to Clients in accordance with the rules of regulatory bodies such as the Securities and Exchange Commission and FINRA. You may choose not to provide such information to us, but if you choose not to provide such information, you will not be able to become a Client.

We may share the information required to become a Client with our brokerage partner solely for the purpose of allowing our brokerage partner to provide services to you.

Wealthfront may use your Personal Data to communicate with you regarding our Service 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. Please note that you cannot opt-out of administrative communications such as regulatory, billing or service notifications.

### **Information Sharing and Onward Transfer**

We will not sell, rent, or trade your Personal Data with any third parties except 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 physical safety of any person, or violations of our [Terms of Use](#).

There are certain circumstances, outlined below, in which we may share your Personal Data without further disclosure to you. From time-to-time, we hire other companies to perform certain business and technology related functions (e.g., mailing information, database maintenance and payment processing). In the case we hire another company to perform a function of this kind, we only provide them with the minimum information they need to perform their specific function. Wealthfront maintains strict physical, electronic and procedural safeguards that comply with federal standards to guard your non-public personal information.

Except as required by law or requested by regulatory authorities, Wealthfront agrees to maintain your non-public personal data in strict confidence.

### **Your Choices and Obligations**

You may request deletion of personal information by emailing [support@wealthfront.com](mailto:support@wealthfront.com) and providing us enough information to identify your account and prove that you are the owner of the identified account. We will endeavor to make any deletion request effective as soon as reasonably practicable. However, we may retain residual information related to 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.

You may decline to provide personal information to Wealthfront. Declining to provide personal information may disqualify you for Wealthfront services and Site features that require certain personal information.

### **Other Important Information**

#### **Security**

Wealthfront takes reasonable steps to protect your Personal Data from loss, misuse, and unauthorized access, alteration, disclosure, or destruction. No Internet, email, or electronic operating system that enables the transmission of data is ever fully secure or error free so, please take special care in deciding what information you send to us in this manner.

#### **Advertising**

We do not allow third party advertising on our Website or mobile applications.

### **Referral Program**

Wealthfront manages a referral program called “The Wealthfront Invite Program.” The program allows our clients to lower their annual advisory fee in exchange for referring other users who ultimately become a client. Participation in our referral program is free and voluntary for our clients. By participating, you may provide us with certain information about the person to whom you refer our service, such as name and e-mail address. We treat this information like all our other Personal Data.

### **Social Media and Links to Other Web Sites and Apps: “Third Parties”**

This Privacy Policy and these terms apply only to Wealthfront operated services and applications. This Site may contain links that access other web sites and apps that are not operated or controlled by Wealthfront. The policies described herein do not apply to Third Party websites or applications.

### **Minors**

Wealthfront is not to be used by anyone under the age of 18 and, as such does not knowingly collect Personal Data from anyone under the age of 18. If you are under the age of 18, please do not submit any Personal Data to Wealthfront. If a parent or guardian becomes aware that his or her child under the age of 18 has provided us with personally identifiable information without his or her consent, he or she should contact us at [support@wealthfront.com](mailto:support@wealthfront.com) and we will delete such information from our files.

### **Other**

This Privacy Policy may change from time to time. We will post any Privacy Policy changes and, if the changes are substantial, we will provide a more prominent notice (including, for certain services, email notification of Privacy Policy changes). Each version of this Privacy Policy will be identified at the top of the page by its effective date.

Privacy policy for Plaid Technologies, Inc.:  
<https://www.plaid.com/legal/#privacy-policy>

This document constitutes Wealthfront’s complete Privacy Policy for Wealthfront and the Services.

If you have questions or comments about this Privacy Policy, please email us at [support@wealthfront.com](mailto:support@wealthfront.com), by phone at (650) 249-4258 or via physical mail at:

Wealthfront Inc., 900 Middlefield Rd., 2nd Fl.  
Redwood City, CA 94063

## **SIPC Disclosure**

Please note that you can obtain information about SIPC, including the SIPC brochure, by visiting the website [www.sipc.org](http://www.sipc.org) or by calling (202) 371-8300.

## **Investor Education and Protection Notice FINRA Conduct Rule 2280**

We are required by FINRA Conduct Rule 2280 to provide you with resources about the availability of information through FINRA’s BrokerCheck Program. Also, please be advised that FINRA offers an investor brochure describing the FINRA BrokerCheck.

### **FINRA**

BrokerCheck Hotline Telephone Number: (800) 289-9999\*

*\*This number may be reached Monday – Friday from 8:00 am – 8:00 pm Eastern Time (ET).*

### **FINRA BrokerCheck**

P.O. Box 9495  
Gaithersburg, Maryland 20898-9495  
Fax: (240) 386-4750

**FINRA Web Site**

[www.finra.org](http://www.finra.org) Click on link to FINRA BrokerCheck. The online search application is available the following hours:  
Monday – Friday from 7:00 a.m. to 11:00 p.m. ET Saturday - Sunday from 8:00 a.m. to 8:00 p.m. ET.

Brochure Availability “FINRA’s BrokerCheck Brochure” This investor brochure is available by calling the FINRA BrokerCheck Hotline Telephone number or through the FINRA website.

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

A 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.

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 (888) 227-5498.

### **Payment for Order Flow**

Wealthfront Brokerage routes your trades to our brokerage partners for execution. In exchange for routing trades, we may receive monetary rebates that offset our commission cost. Wealthfront regularly reviews trade routing decisions to ensure your orders meet best execution standards.

# Customer 529 Brokerage Agreement

By you entering into the Wealthfront Client 529 Account Agreement (“Account Agreement”) with Wealthfront Inc. (“Wealthfront”), you agree to enter into this Customer 529 Brokerage Agreement (this “Brokerage Agreement”) with Wealthfront Brokerage Corporation (“Wealthfront Brokerage” or “Broker”).

## 1. Definitions

*Account* means your Plan account.

*Accounts* mean your Account and your Wealthfront Account.

*Brokerage Services* means the following services provided by Broker pursuant to this Brokerage Agreement: (i) the routing of purchase, redemption and sale orders to the Recordkeeper and the Custodian; (ii) the processing of your money contributions to and withdrawals from the Account; and (iii) the carrying and maintenance of your Wealthfront Account by Broker, which includes accounting, recordkeeping, and reporting for activity in your Account and your Wealthfront Account. *Brokerage Services* does not include preparation or delivery of paper statements or confirmations.

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

*Custodian* means the custodian for the Plan.

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

*Investment Plan* means the investment plan recommended by Wealthfront to you, including the features designated by you, in connection with your Account.

*Plan* means the Wealthfront 529 college savings plan as in effect from time to time.

*Recordkeeper* means the recordkeeper for the Plan.

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

*Wealthfront Account* means the account that Broker establishes and carries for you to hold your money and record your transactions pursuant to the Investment Plan for the Account.

## 2. Agency, Custody, and Trading

You appoint Broker as your agent to carry your Wealthfront Account and carry out your instructions, including instructions for purchases, redemptions and sales of Securities in your Account. You assume all investment risk with respect to your Accounts. All transactions in your Accounts will be executed only on your order or the order of Wealthfront, 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 Broker, as your agent, to establish relationships with the Recordkeeper and Custodian, and to appoint and use other sub-agents. You authorize Broker and its sub-agents to take reasonable steps in connection with the establishment of the Account and the carrying of your Wealthfront Account and its rights and obligations under this Brokerage Agreement, including without limitation: opening and closing of the Account and the opening, closing, and carrying the Wealthfront Account 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 orders for transactions, including the orders authorized by you in the Account Agreement and placed by Wealthfront on your behalf; effecting purchases, redemptions and sales of Securities and other transactions, including without limitation transactions in securities or bank accounts maintained in Broker’s name for the benefit of Broker’s customers and reconciling such transactions with transactions in your Accounts; holding money attributable to your Wealthfront Account in securities or bank accounts maintained in Broker’s name for the benefit of Broker’s customers and thus commingling such money with that of other customers. You agree that Broker may, in its sole discretion and without prior notice to you, refuse or restrict orders placed by you or by Wealthfront on your behalf.



You authorize Broker to accept from Wealthfront and route to the Recordkeeper and Custodian for execution aggregate orders assembled by Wealthfront that combine purchases, redemptions and sales of Securities in your Account with purchases, redemptions and sales of the same Securities for accounts of other clients of Wealthfront.

You agree that the Recordkeeper and Custodian will execute, clear, and settle transactions in your Account and that Broker does not act as the Recordkeeper's or Custodian's agent. You agree that, unless Broker receives a written notice from you to the contrary, the Recordkeeper and Custodian may accept from Broker any instructions relating to your Account, without inquiry or investigation, including orders placed by Wealthfront on your behalf for purchases, redemptions or sales of Securities.

### **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 Wealthfront Account unless you have provided the consent to us. If you are employed by such an entity, please email [cco@wealthfront.com](mailto:cco@wealthfront.com) to provide consent and pertinent information. You agree that Broker will provide to your employer duplicate electronic statements and/or trade confirmations for your Wealthfront 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.

### **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 and the Plan. 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 of or obtain from Broker include without limitation: (i) purchases or sales of Securities other than in connection with the Investment Plan; (ii) transactions in corporate bonds, municipal bonds or other government securities, private fund interests, limited partnership interests, or any securities other than the Securities included in the Investment 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 Broker**

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

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

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

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

#### **5.1 In General**

You agree that you are responsible for reviewing all statements and confirmations for your Accounts. Statements and confirmations shall be considered accurate unless you notify Wealthfront or Broker in writing no later than five Business Days after receipt of the applicable statement or confirmation that the information is inaccurate. Inquiries concerning the balance and positions in your Wealthfront Account should be directed to [support@wealthfront.com](mailto:support@wealthfront.com).

## **5.2 Alternative Periodic Reporting in Lieu of Individual Confirmations**

You agree, consent and acknowledge this notice that Broker may effect transactions in municipal fund securities with you without giving or sending to you the written confirmation required by paragraph (a)(i) of Municipal Securities Rulemaking Board Rule G-15 (the "Rule") at or before completion of each such transaction if Broker, in conformance with the paragraph (a)(viii) of the Rule, gives or sends you a statement electronically disclosing for each purchase, sale or redemption effected for or with, and each payment of investment earnings credited to or reinvested for, your Account during the reporting period together with the information required to be disclosed to you pursuant to subparagraphs (A) through (D) of paragraph (a)(i) of the Rule.

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

### **6.1 Indebtedness**

Whenever in Broker's discretion Broker considers it necessary for Broker's protection, or for the protection of Wealthfront or in the event of, but not limited to; (i) any breach by you of this or any other agreement with Broker or (ii) your failure to pay for securities and other property purchased or to deliver Securities and other property sold, Broker 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 orders 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, and/or Broker may require you to deposit cash or adequate collateral to your Account prior to any settlement date in order to assure the performance or payment of any open contractual commitments and/or unsettled transactions. Broker has the right to refuse to execute securities transactions for you at any time and for any reason. To the extent permitted by applicable law, the Securities and/or other property Broker holds for you or in which you may have an interest held by Broker or carried in any of your Accounts with 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 may have to Wealthfront or Broker, wherever or however arising and without regard to whether or not Broker has made advances with respect to such Securities and other property, and are to be held by Broker as security for the payment of any liability or indebtedness in your Wealthfront Account to Broker, Wealthfront, or any of its affiliates. To the extent permitted by applicable law, in connection with enforcing Broker's lien, perfected security interest or right of set-off, Broker may, at any time and without giving you prior notice, use, transfer, purchase, sell or otherwise liquidate any or all of your Securities and/or other property in your Wealthfront Account 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 Broker, Wealthfront, or any of their affiliates. As part of Broker's right of enforcement under this Section 6.1, Broker shall have the sole discretion to determine which Securities are to be liquidated 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, Broker maintains all of the rights and remedies provided in this Brokerage Agreement. You agree to indemnify and hold the Wealthfront, Broker, and the Indemnified Persons harmless from and against any losses, costs or expenses incurred or payable in connection with (i) Broker's remedies under this Section 6.1, 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 Broker shall, without limiting its other rights under this Section 6.1, have the right to offset amounts you owe Broker, Wealthfront, or any of their affiliates against any amounts Broker, Wealthfront, 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 your Wealthfront Account, including without limitation attorney fees and costs incurred by Broker, Wealthfront, or any of their affiliates.

## **6.2 Cancellation**

Broker is authorized, in Broker's discretion, should Broker for any reason whatsoever deem it necessary for Broker protection, without notice, to cancel any outstanding order, to close out your Accounts, in whole or in part, or to close out any commitment made on behalf of you.

## **6.3 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, Broker, or any of their affiliates, and you shall be liable to Broker 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 Broker or by you; and you shall make payment of such obligations upon demand.

## **7. Authority of Wealthfront**

You authorize Broker to execute any orders for purchases, redemptions or sales of Securities that Wealthfront places on your behalf and to act and rely on other instructions that Wealthfront transmits or provides on your behalf.

## **8. Fees**

### **8.1 Purchases, Sales, and Custody**

The Broker agrees that you shall not be obligated to pay any fee for the Brokerage Services other than Wealthfront's advisory fee under the Account Agreement. You acknowledge that Wealthfront may pay Broker amounts out of the proceeds of the Wealthfront advisory fee pursuant to an agreement between Wealthfront and Broker.

### **8.2 Additional Fees for Irregular Services**

The Broker 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 in its sole discretion in accordance with the Account Agreement, wire transfers. Broker reserves the right to waive or reduce, in its sole discretion, any fees for irregular services described in this Section 8.2. You agree that Broker may charge reasonable and customary fees for services that are not Brokerage Services, that are not expressly referenced in the Account Agreement, and that Broker agrees in its sole discretion to perform on a case-by-case basis.

### **8.3 Fee Deduction**

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

## **9. Customer Support**

You acknowledge that you may obtain information, ask questions, and receive support regarding your Wealthfront Account and its transactions and holdings by contacting Broker at [support@wealthfront.com](mailto:support@wealthfront.com) or, during the hours of 9:00 am to 5:00 pm Pacific Time at (650) 249-4258.

## **10. Identity Verification**

*Important Information About Procedures for Opening a New Account:* You acknowledge and agree that to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions, including broker-dealers like Broker to obtain, verify, and record information that identifies each person who opens an account.

## **11. Privacy**

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

## **12. Securities Investor Protection Corporation**

Broker 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 by replacing missing securities and cash up to a maximum of \$500,000 per client, including \$250,000 for claims for cash. 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.

## **13. Electronic Funds Transfers**

### **13.1 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 or Broker within two Business Days after you learn of the unauthorized transfer. If you do not notify Wealthfront or Broker within two Business Days after you learn of an unauthorized electronic funds transfer, and Broker 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) \$500 or (ii) the sum of \$50 or 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 notify Wealthfront or Broker, provided that Broker can establish that these unauthorized transfers would not have occurred had you notified Wealthfront or Broker within the two Business Days. If you do not notify Wealthfront or Broker within 60 days after Broker sends you the applicable statement, you may not get back any money you lost after the 60 days if Broker can prove that it could have stopped the unauthorized transfer had you notified it in time. Broker will extend the notification periods for unauthorized transfers in this Section if there are extenuating circumstances such as extended travel or a hospital stay.

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

If you believe that an unauthorized transfer has occurred in your account, please call Broker immediately at (650) 249-4250, or email [support@wealthfront.com](mailto:support@wealthfront.com).

### **13.3 Error Resolution**

In case of errors or questions about your electronic transfers, please call at (650) 249-4258 or email Broker at [support@wealthfront.com](mailto:support@wealthfront.com) as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt.

The Broker will tell you the results within three business days after completing our investigation. If Broker decides that there was no error, it will send you a written explanation. You may ask for copies of the documents that Broker used in its investigation.

## **14. Abandoned Accounts**

The Broker shall have the right to report, escheat, and deliver to the state of your address of record for your Wealthfront Account in accordance with applicable state law.

## **15. Duty**

The Broker acts in a brokerage capacity in relation to the Investment Plan and your Accounts and does not enter into a fiduciary relationship with you. A brokerage relationship is not held to the same legal standard as an investment advisory relationship. The Broker shall (i) deal with you fairly; (ii) process, record, and report transactions in your Wealthfront Account with diligence and competence; and (iii) safeguard your nonpublic personal information associated with your Accounts.

## **16. Assignment**

The Broker 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.

## **17. Dispute Resolution**

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

**(a) 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 AS PROVIDED BY THE RULES OF THE ARBITRATION FORM IN WHICH A CLAIM IS FILED;**

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

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

**(d) 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.**

**(e) THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**

**(f) 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.**

**(g) 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. ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN THE YOU, BROKER, OR BROKER'S AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, MEMBERS, MANAGERS, OFFICERS OR CONTROL PERSONS OF BROKER ARISING OUT OF, IN CONNECTION WITH, FROM OR WITH RESPECT TO (i) ANY PROVISIONS OF OR THE VALIDITY OF THIS AGREEMENT OR ANY RELATED AGREEMENTS, INCLUDING WITHOUT LIMITATION THE ACCOUNT PARTICIPATION AGREEMENT, (ii) THE RELATIONSHIP OF THE PARTIES HERETO, OR (iii) ANY CONTROVERSY ARISING OUT OF BROKER'S BUSINESS, BROKER'S BUSINESS OR THE ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"). 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.

## **18. Representations**

You hereby represent and warrant to Broker and agree with Broker as follows:

### **18.1 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.

### **18.2 Compliance with Law**

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

### **18.3 Authority**

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 a trust, the trustee, agent, representative or nominee (the "Representative") executing this Brokerage Agreement on behalf of you 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 this Brokerage Agreement is entered into by a trustee, the trustee has authority to enter into this Brokerage Agreement and that the services described herein are authorized under the applicable trust or law. You will deliver to Broker evidence of your and the Representative's authority on Broker's request and will promptly notify Broker 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 and Broker on opening the Account. If Representative is entering into this Agreement, you and 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 Representative.

### **18.4 Ownership and No Restrictions**

Client is the owner or co-owner of all cash and Securities in the Accounts, no one except you has an interest in the Accounts of yours with Broker, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such cash or Securities.

### **18.5 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.

## **19. Notices**

All notices and communications under this Agreement must be made through the Site or by email. Broker'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 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 Broker may amend this Brokerage Agreement from time to time by notifying you by email or message to your Wealthfront user account, which amendment will be effective immediately.

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

Broker'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 Broker'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, 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 cancelled). However, the parties may choose to enter into separate agreements between them regarding different subject matters or investment programs.

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

Neither party intends for this Agreement to benefit any third party not expressly named in this Agreement.

## **25. Termination**

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 Broker through the Site and by Broker 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 by notifying Wealthfront at any time provided that all partial withdrawals comply with Wealthfront's required Account minimums as posted on the Site and updated from time to time, unless Wealthfront otherwise consents in advance. Client's withdrawal of all of the Account under this Agreement will terminate this Agreement. Upon termination of this Agreement, Sections 6, 14, 15, 17, and 19 through 26 shall survive such termination. Client understands and agrees that Wealthfront may determine to liquidate immediately all holdings in the Wealthfront Account.

## **26. Data Not Guaranteed**

You expressly agree that any 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 Broker 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 Broker or any of Broker'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 Broker or Broker'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 Broker or with the delay or inability to use such reports.

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