

# WEALTHFRONT

## 529 COLLEGE SAVINGS PLAN AGREEMENTS

These are the agreements and other documents that establish and govern the Wealthfront 529 College Savings Plan (the “529 College Plan”) CLIENT RELATIONSHIP with Wealthfront Advisers LLC (successor investment adviser to Wealthfront Inc.) and Wealthfront Brokerage LLC (formerly known as Wealthfront Brokerage Corporation)

TO BECOME A CLIENT OF WEALTHFRONT ADVISERS LLC, YOU AGREE TO THE FOLLOWING AGREEMENTS (THE “AGREEMENTS”) AND AGREE TO BE LEGALLY BOUND BY THEIR TERMS AND CONDITIONS:

- (1) the 529 College Plan Client Agreement between you and Wealthfront Advisers LLC (“**Wealthfront Advisers**”), an SEC-registered investment adviser and a wholly owned subsidiary of Wealthfront Corporation (formerly known as Wealthfront Inc.).
- (2) the 529 College Plan Customer Brokerage and Custody Agreement between you and Wealthfront Brokerage LLC (“**Wealthfront Brokerage**”).
- (3) the Privacy Policy.

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

- THE AGREEMENTS MAY BE AMENDED FROM TIME TO TIME WITHOUT PRIOR NOTICE OR CONSENT FROM YOU.
- THE AMENDED AGREEMENTS WILL BE AVAILABLE ON THE WEALTHFRONT ADVISERS’ WEBSITE AT [WWW.WEALTHFRONT.COM/529](http://WWW.WEALTHFRONT.COM/529) AND THROUGH THE WEALTHFRONT MOBILE APPLICATION (THE “APP”).
- YOU WILL CHECK THE WEALTHFRONT ADVISERS’ WEBSITE FOR NEW VERSIONS OF THE AGREEMENTS.
- BY KEEPING YOUR CLIENT ACCOUNT WITH WEALTHFRONT ADVISERS OR BY CONTINUING TO USE SERVICES PROVIDED BY WEALTHFRONT ADVISERS AND/OR WEALTHFRONT BROKERAGE WITHOUT OBJECTING TO ANY AMENDMENTS OR NEW VERSIONS OF ANY OF THE AGREEMENTS POSTED ON WEALTHFRONT ADVISERS’ WEBSITE OR THE APP, YOU AGREE TO AND ACCEPT ALL TERMS AND CONDITIONS OF ANY AMENDED AGREEMENTS, INCLUDING ANY NEW OR CHANGED TERMS OR CONDITIONS.
- **IMPORTANT NOTICE REGARDING ARBITRATION: WHEN YOU AGREE TO THE ADVISORY CLIENT AGREEMENT YOU ARE AGREEING (WITH LIMITED EXCEPTIONS) TO RESOLVE ANY DISPUTE BETWEEN YOU AND WEALTHFRONT ADVISERS THROUGH BINDING, INDIVIDUAL ARBITRATION RATHER THAN IN COURT. PLEASE REVIEW CAREFULLY SECTION 18 OF THE ADVISORY CLIENT AGREEMENT FOR DETAILS**

**REGARDING ARBITRATION (INCLUDING THE PROCEDURE TO OPT OUT OF ARBITRATION).**

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

- Two different affiliated entities, Wealthfront Advisers and Wealthfront Brokerage, will provide you with services pursuant to the Agreements described above.
- Wealthfront Advisers and Wealthfront Brokerage have separate agreements with you that allocate separate sets of rights and obligations between you and the applicable entity.
- Wealthfront Advisers is not responsible for the obligations of Wealthfront Brokerage, and Wealthfront Brokerage is not responsible for the obligations of Wealthfront Advisers.
- Wealthfront Advisers and Wealthfront Brokerage do not indemnify each other in connection with any of the Agreements.
- Wealthfront Advisers and Wealthfront Brokerage, may, subject to applicable laws and regulations, engage vendors or other contractors to help Wealthfront Advisers and Wealthfront Brokerage fulfill their respective duties under the Agreements.
- The services you receive are sufficient consideration for you to enter into the Agreements.
- If you opt-out to any of these Agreements or portions of these Agreements, Wealthfront Advisers may choose to terminate the Advisory Client Agreement with you, and your account with Wealthfront Brokerage will subsequently be closed.

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**Wealthfront Advisers LLC**  
**(successor investment adviser to Wealthfront Inc.)**  
**529 College Plan Client Agreement**

*Revision date: August 1, 2018*

You (“Client”) and Wealthfront Advisers LLC, a Delaware limited liability company and an SEC registered investment adviser (“Wealthfront Advisers,” the successor investment adviser to Wealthfront Inc.), agree to enter into an investment advisory relationship (the “Agreement”) pursuant to which Wealthfront Advisers shall exclusively manage the assets in account(s) that you establish at Wealthfront Brokerage LLC (“Wealthfront Brokerage,” and formerly known as Wealthfront Brokerage Corporation). This Agreement is effective as of the first day a brokerage account is opened in connection with this Agreement and is ready to receive trading instructions from Wealthfront Advisers (the “Effective Date”). In consideration of the mutual covenants herein, Client and Wealthfront Advisers agree as follows:

**1. Services**

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

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

**2. Representations and Warranties.**

(a) Client represents and warrants to Wealthfront Advisers and agrees with Wealthfront Advisers as follows:

- i. Client has the requisite legal capacity, authority and power to execute, deliver and perform his or her obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Client and is the legal, valid and binding agreement of Client, enforceable against Client in accordance with its terms. Client’s execution of this Agreement and the performance of his or her obligations hereunder do not conflict with or violate any obligations by which Client is bound,

whether arising by contract, operation of law or otherwise. If the Client is an entity, the individual 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 in this Agreement are authorized under the applicable trust or law. Client will deliver to Wealthfront Advisers evidence of Client’s and Client Representative’s authority on Wealthfront Advisers’ request and will promptly notify Wealthfront Advisers 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 Advisers on opening the Account. Client Representative has the authority to act on behalf of the Account, and Wealthfront Advisers is entitled to rely upon and may accept such instructions from the Client Representative, which may be limited due to only one Client Representative having log-in privileges to the Account, without any requirement to seek confirmation of instructions from the other Client Representatives.

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 Account, and there are no restrictions on the pledge, hypothecation, transfer, sale or public distribution of such cash or Securities.

iv. Client acknowledges that a Plan may include only a single municipal fund security (having a single underlying ETF) for each asset class within the 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 by Wealthfront Advisers as part of the Plan.

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

vi. Client acknowledges that the Wealthfront Advisers and Wealthfront Brokerage are subject to certain anti-money laundering (“AML”) and related provisions under applicable laws, rules and regulations and are otherwise prohibited from engaging in transactions with, or providing services to, certain foreign countries, territories, entities and individuals, including without limitation, specially designated nationals, specially designated narcotics traffickers and other parties subject to United States government or United Nations sanctions and embargo programs (collectively “AML Laws”). Accordingly, Client hereby represents and warrants the following and shall promptly notify Wealthfront Advisers if any of the following ceases to be true and accurate: (a) to the best of the Client’s knowledge based upon appropriate diligence and investigation, none of the cash or property that the Client has paid or will pay or deposit to Wealthfront Advisers has been or shall be derived from or related to any activity that is deemed criminal under United States law, nor will any of the Client’s payments or deposits to Wealthfront Advisers directly or indirectly contravene United States federal, state, international or other laws or regulations, including without limitation any AML Laws (b) no contribution or payment by Client to Wealthfront Advisers shall cause Wealthfront Advisers or Wealthfront Brokerage to be in violation of any AML Laws. Client understands and agrees that if at any time it is discovered that any of the representations in this Section 2(a)(vii) are untrue or inaccurate, or if otherwise required by applicable law or regulation related to money laundering and similar activities, Wealthfront Advisers may undertake appropriate actions to ensure compliance with applicable law or regulation, including, but not limited to, freezing or forcing a withdrawal of the Client’s cash or assets from Wealthfront Advisers.

vii. Client acknowledges that Wealthfront Advisers or Wealthfront Brokerage may require further documentation verifying Client's identity or the identity of the Client's beneficial owners, if any, and the source of funds used to make payment or deposit to Wealthfront Advisers. Client hereby agrees to provide such documentation as may be requested by Wealthfront Advisers. Furthermore, Client acknowledges and agrees that Wealthfront Advisers or Wealthfront Brokerage may release confidential information regarding Client and, if applicable, any of Client's beneficial owners, to government authorities, if Wealthfront Advisers, in its sole discretion, determines after consultation with counsel that releasing such information is in the best interest of Wealthfront Advisers.

viii. If Client specifically provides a photograph of Client's likeness and/or other personal identifying information to Wealthfront Advisers for public display, then Client hereby grants permission to Wealthfront Advisers to use the provided photograph of Client's likeness, Client's name and/or other information, in a commercially reasonable manner on its website [www.Wealthfront.com/529](http://www.Wealthfront.com/529) or its related mobile application (the "Site" or "App"), 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.

ix. As of the Effective Date, and at all times during the term of this 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.

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

(b) Client understands and agrees that (A) Wealthfront Advisers does not guarantee the performance of the Account, is not responsible to Client for any investment losses, and the Account is 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 Account could suffer substantial diminution in value, and this risk applies even when the Account is 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; (D) Wealthfront Advisers will cause the Account to invest in Securities substantially in the proportions set forth by the Plan (subject to the profile information received from Client and to various other factors, including without limitation Client deposits or withdrawals, variations in the allocations due to movements in the prices of Securities over time, and revisions of the Plan by Wealthfront Advisers from time-to-time consistent with Client's profile information); (E) Wealthfront Advisers will provide only the specific reviews and restrictions described in this Agreement and will not otherwise review or control such Account; and (F) there are significant risks associated with any investment program.

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

ii. Client understands and agrees that the Account will be managed solely by Wealthfront Advisers based on the information Client has provided to Wealthfront Advisers. Client further understands that if any of the information Client provides to Wealthfront Advisers is or becomes incomplete or inaccurate, the Account's activities may not achieve Client's desired investment or tax strategy, the Account may purchase Securities from which Client is restricted from purchasing at that time or the Plan may be inappropriate for Client. An Account's transactions may be executed at approximately the same time as other client accounts managed by Wealthfront Advisers in accordance with other clients' investment plan, and if the transactions are large in relation to the trading volume on that particular day, the price may be different than it would be for the execution of a smaller transaction.

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

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

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

v. Client understands and agrees that the Account must maintain at all times a minimum balance (\$500 or as otherwise specified by Wealthfront Advisers on the Site or App) unless the balance drops below the specified minimum due solely to decreases in the values of the Account's Securities and not due to any withdrawals of funds while the balance of the Account met the minimum as provided in this Section 2(b)(vi). Without in any way limiting Wealthfront Advisers' rights pursuant to Section 12 hereof, if the Account balance falls below the specified minimum, Wealthfront Advisers may liquidate the Account holdings, deliver the proceeds of the liquidation to Client, and close the Account.

### **3. Custody**

Client has appointed Wealthfront Brokerage as its broker and custodian pursuant to a separate "529 College Plan Customer Brokerage and Custody Agreement." Wealthfront Advisers shall not be liable to Client for any act, conduct or omission by the Wealthfront Brokerage and/or the clearing broker in its capacity as broker or custodian. At no time will Wealthfront Advisers accept, maintain possession or have custodial responsibility for Client's assets or securities. Client assets and securities will be delivered between Client and the Wealthfront Brokerage only.

### **4. Confidentiality**

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

provisions in this Agreement to the contrary, Wealthfront Advisers may share Client's non-public personal and financial information with affiliates of Wealthfront Advisers in connection with providing and/or enhancing the services provided to Client.

## **5. Advisory Fee**

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

i. 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 (except under the circumstances covered by Section 5(b)), 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.

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

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

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

## **6. Valuation**

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

## **7. Responsibility for Expenses**

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



## **8. Payment of Fees**

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

## **9. Portfolio Transactions**

(a) Wealthfront Advisers' will place orders for the execution of transactions for the Client Account in accordance with Wealthfront Advisers' Form ADV Part 2 (available at [https://www.wealthfront.com/static/documents/form\\_adv\\_part\\_2.pdf](https://www.wealthfront.com/static/documents/form_adv_part_2.pdf)) as may be amended from time to time. Wealthfront Advisers shall not have any responsibility for obtaining for the Account the best prices or any particular commission rates.

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

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

(a) To the extent permitted under applicable law, Client understands and agrees that Wealthfront Advisers will not be liable to Client for any losses, expenses, damages, liabilities, charges and claims of any kind or nature whatsoever (including without limitation any legal expenses and costs and expenses relating to investigating or defending any demands, charges and claims) (collectively, "Losses") incurred by Client with respect to any Accounts, except to the extent that such Losses are actual losses of the Client proven with reasonable certainty and are the direct result of an act or omission taken or omitted by the Adviser during the term of this Agreement which constitutes willful misfeasance, bad faith or gross negligence under this Agreement. Without limitation, Wealthfront Advisers shall not be liable for Losses resulting from or in any way arising out of (i) any action of the Client or its previous advisers or other agents, (ii) force majeure or other events beyond the control of Wealthfront Advisers, including without limitation any failure, default or delay in performance resulting from computer or other electronic or mechanical equipment failure, unauthorized access, strikes, failure of common carrier or utility systems, severe weather or breakdown in communications not reasonably within the control of Wealthfront Advisers or other causes commonly known as "acts of god", or (iii) general market conditions unrelated to any violation of this Agreement by Wealthfront Advisers.

(b) Client (and in addition, for entity accounts, Client Representative) shall reimburse, indemnify, defend and hold harmless Wealthfront Advisers, its affiliates and their directors, officers, shareholders, employees and any

person controlled by or controlling Wealthfront Advisers from and against any and all Losses relating to this Agreement or the Account arising out of any misrepresentations or act or omissions or alleged act or omission on the part of the Client (or Client Representatives) or previous advisers or the custodian or any of their agents, except if such Losses are the direct result of Wealthfront Advisers' willful misfeasance, bad faith or gross negligence in the performance of Wealthfront Advisers' duties or by reason of Wealthfront Advisers' reckless disregard of its obligations and duties hereunder. In addition to the above indemnities, for entity Clients, the Client Representative shall further indemnify and defend Wealthfront Advisers and Wealthfront Advisers' 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. Notwithstanding anything in this Section 10 or otherwise in this Agreement to the contrary, nothing herein shall constitute a waiver or limitation of any rights that Client may have under any federal or state securities laws, which rights may arise even if Wealthfront Advisers' recommendation or other act or failure to act hereunder does not constitute willful misfeasance, bad faith or gross negligence in the performance of Wealthfront Advisers' duties or by reason of Wealthfront Advisers' reckless disregard of its obligations and duties hereunder.

#### **11. Proxies**

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

#### **12. Termination; Withdrawals**

This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by Client to Wealthfront Advisers through the Site and by Wealthfront Advisers to Client through the primary email address in Client's Account Application as Client shall update from time to time. Client may withdraw all or part of the Account, which may have adverse tax consequences, by notifying Wealthfront Advisers at any time provided that all partial withdrawals comply with Wealthfront Advisers' required Account minimums as posted on the Site and updated from time to time, unless Wealthfront Advisers otherwise consents in advance. Client's withdrawal of all of the Account under this Agreement, or Client's withdrawal that results in an Account balance below the minimum as provided in Section 2(b)(vi) hereof will terminate this Agreement. Upon termination of this Agreement, Sections 8 (only as to fees accruing prior to termination), 10, 15, and 17 through 23 shall survive such termination. Client understands and agrees that upon termination of this Agreement Wealthfront Advisers may determine to liquidate immediately all holdings in the Plan and the Account, and subject to Section 10 hereof, Wealthfront Advisers shall not be liable to Client to any consequences of such liquidation, including any adverse tax consequence.

#### **13. Account Statements**

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

#### **14. Independent Contractor**

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

#### **15. Assignment**

Wealthfront Advisers may not assign this Agreement without the prior consent of Client or the consent of any additional authorized signatories on behalf of Client, if such consent is required under the Investment Advisers Act of 1940, as amended. In the event of an assignment by Wealthfront Advisers, Wealthfront Advisers shall request any required 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 Advisers shall inform Client that the proposed assignee will continue the advisory services of Wealthfront Advisers 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 Advisers, Client's continued acceptance of investment management services from the proposed assignee shall constitute Client's consent(s) to the assignment. This Agreement shall bind and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

## 16. Delivery of Information

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

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

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

## 17. Governing Law

This Agreement shall be governed exclusively by and construed and interpreted in accordance with the U.S. Federal Arbitration Act, federal arbitration law, and the laws of the State of California, excluding its provisions on conflicts or choice of laws. Except as otherwise expressly set forth in Section 18 of this Agreement below, any legal action or proceeding arising under this Agreement shall be brought exclusively in courts located in San Francisco, California or federal court for the Northern District of California, and the parties hereby irrevocably consent to the personal jurisdiction and venue therein.

## 18. Arbitration

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

(a) Exceptions and Opt-Out. As limited exceptions to mandatory arbitration as set forth in this Section 18 of this Agreement: (i) you may seek to resolve a Dispute in small claims court if it qualifies; and (ii) the parties each retain the right to seek injunctive or other equitable relief from a court to prevent (or enjoin) the infringement or misappropriation of our intellectual property rights. In addition, **you will retain the right to opt out of arbitration entirely and litigate any Dispute** if you provide us with written notice of your desire to do so by email at [support@wealthfront.com](mailto:support@wealthfront.com) or by regular mail at Wealthfront Adviser's physical address within thirty (30) days following the date you first agree to the terms of this Agreement.

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

If your claim is for U.S. \$10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic or video-conference hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds U.S. \$10,000, the right to a hearing will be determined by the AAA Rules. Any arbitration hearings will take place in San Mateo County, California, unless the parties both agree in writing to a different location. You and Wealthfront Advisers agree that the arbitrator shall

have exclusive authority to decide all issues relating to the interpretation, applicability, enforceability and scope of the terms of this Agreement.

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

(d) Effect of Changes on Arbitration. Notwithstanding anything in this Agreement, if Wealthfront Advisers changes any of the terms of this Section 18 after the date you first accepted this Agreement (or accepted any subsequent changes to this Agreement), you may reject any such change by sending us written notice (including by email to [support@wealthfront.com](mailto:support@wealthfront.com)) within 30 days of the date such change became effective, as indicated in the "Effective Date" above or in the date of Wealthfront Advisers' email to you notifying you of such change. By rejecting any change, you are agreeing that you will arbitrate any Dispute between you and Wealthfront Advisers in accordance with the terms of this Section 18 as of the date you first accepted the terms of this Agreement (or accepted any subsequent changes, supplements or amendments to this Agreement).

(e) Class Action Waiver. **YOU AND WEALTHFRONT ADVISERS AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.** Further, if our Dispute is resolved through arbitration, the arbitrator may not consolidate another person's claims with your claims, and may not otherwise preside over any form of a representative or class proceeding. If any of the specific provisions within this Section 18 are found to be unenforceable, the remainder of this Section 18 shall not be affected thereby and, to this extent, the provisions of this Section 18 shall be deemed to be severable.

## 19. Notices

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

## 20. Severability and Amendment

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

## 21. Waiver or Modification

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

## 22. Entire Agreement

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

**23. No Third-Party Beneficiaries**

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

**24. Death, Disability, or Divorce**

If a Client is an individual, the Client's death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, the Client's executor, guardian or attorney-in-fact may terminate this Agreement by giving written notice to Wealthfront Advisers. In the event that Client is a joint Account, both Account holders agree that if the Account ever becomes the subject of a dispute between Account holders, and Wealthfront Advisers becomes aware of the dispute, Wealthfront Advisers may refuse to disburse or allow for the termination of this Agreement without the consent of both joint Account holders. Further, both Account holders agree that in the event that one Account holder provides instructions to Wealthfront Advisers, even if the instructions are to terminate the Agreement and disburse all funds from the Account to one of the Account holders, Wealthfront Advisers may do so without the permission of the other Account holder and will have no liability to either Account holder.



900 Middlefield Road, Second Floor  
Redwood City, CA 94063  
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## **Wealthfront Advisers 529 College Savings Plan Wrap Fee Program Brochure**

August 16, 2018

### **Item 1 Cover Page**

This Wealthfront Advisers 529 College Savings Plan Wrap Fee Program Brochure (“Brochure”) provides information about the qualifications and business practices of Wealthfront Advisers LLC (“Wealthfront Advisers” or “we” or “us”, the successor investment adviser to Wealthfront Inc.), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”), in respect of the Wealthfront Advisers 529 College Savings Plan (the “Plan”). Registration does not imply a certain level of skill or training but only indicates that Wealthfront Advisers has registered its business with state and federal regulatory authorities, including the SEC (our SEC number is 801-69766). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

## **Item 2 Material Changes**

Since the last updating amendment to Wealthfront Advisers' Form ADV Part 2 brochure on January 2, 2018, we note the following material changes to this Brochure:

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

Item 4.A was revised to note that Wealthfront Advisers became the successor investment adviser to Wealthfront Inc. effective August 1, 2018, and that Wealthfront Advisers is a wholly owned subsidiary of Wealthfront Corporation (formerly known as Wealthfront Inc.).

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

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

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

Wealthfront Advisers is an automated investment adviser registered with the SEC. Wealthfront Advisers sponsors software-based investment advisory and portfolio management services for its clients in respect of the Plan through the Wealthfront Advisers 529 Wrap Fee Program. This program is made available via accounts that all clients open at Wealthfront Brokerage LLC (“Wealthfront Brokerage,” and formerly known as Wealthfront Brokerage Corporation), a member of Financial Industry Regulatory Authority (“FINRA”). Wealthfront Advisers became the successor investment adviser to Wealthfront Inc. effective August 1, 2018. On the same date, Wealthfront Inc. changed its name to Wealthfront Corporation. Software-based financial planning tools and services are provided by Wealthfront Software LLC (“Wealthfront Software”). Wealthfront Advisers, Wealthfront Brokerage and Wealthfront Software are wholly owned subsidiaries of Wealthfront Corporation, which is a privately held company headquartered in Redwood City, CA. Additional information about Wealthfront Advisers’ products, structure and directors is provided on Part 1 and Part 2 of Wealthfront Advisers’ 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 the state-created 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 Advisers’ 529 Investment Advisory Services**

Wealthfront Advisers offers a unique automated investment advisory service based on Modern Portfolio Theory (“MPT”) that makes it possible for anyone who enters into a Wealthfront Advisers 529 College Plan Client Agreement (the “529 Client Agreement”), to access state-of-the-art investment advisory and portfolio management services in the context of a 529 plan. As provided in the 529 Client Agreement, advisory clients (“Clients”) grant Wealthfront Advisers discretionary authority to manage Client assets in accounts (“Client Accounts” or “Accounts”) opened and maintained at Wealthfront Brokerage pursuant to the Wealthfront Brokerage Customer Brokerage and Custody Agreement (the “Brokerage Agreement”), through which Wealthfront Brokerage provides the necessary basic brokerage

services to the Clients. Clients are also required to enter into a Participation Agreement (“Participation Agreement”) with the state 529 plan trust in order to establish the Client’s 529 account. Wealthfront Advisers’ investment objective is to seek maximum long-term, risk-adjusted, after-tax, net of fee returns.

#### **D. Tailored Services and Investment Restrictions**

Wealthfront Advisers tailors its software-based 529 College Plan investment advisory services to the individual needs of each of its Clients. Wealthfront Advisers uses its software, which is based on academic behavioral economics research, to determine an investor’s risk tolerance. Wealthfront Advisers asks each prospective Client a series of questions to evaluate both the individual’s objective capacity 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 Client is likely to have enough money saved at the time of matriculation by the Client’s beneficiary (“Beneficiary”), in order to afford the 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.

Each individualized 529 portfolio is designed to be consistent with the Clients’ investment objectives and risk tolerances. Wealthfront Advisers creates 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 Advisers 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 Advisers 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 Advisers 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 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.

## **E. 529 Wrap Fee Program**

Under the Plan, Client assets are managed by Wealthfront Advisers as part of Wealthfront Advisers' 529 Wrap Fee Program. A wrap account is a professionally managed investment plan in which all expenses, including brokerage commissions (if any), management fees, and administrative costs, are "wrapped" into a single charge. Wealthfront Advisers' 529 Wrap Fee Program provides Clients investment plans, portfolio management, and necessary basic brokerage services for one comprehensive fee based on a percentage of individual account assets.

Wealthfront Advisers may buy or sell securities consistent with a Client's investment plan designed to seek an investment return suitable to the goals and risk profile of each distinct Client Account. Wealthfront Advisers determines an appropriate course of action by performing a review of each Client's individual account and suitability parameters. This review may include type of account, goals, overall financial condition, income, assets, risk tolerance and other factors unique to the individual Client's situation. Wealthfront Advisers manages each Client Account on an individualized basis.

In order to implement Wealthfront Advisers' continuous investment advice, Wealthfront Advisers provides investment advisory and portfolio management services under the 529 Wrap Fee Program only on a discretionary basis.

## **F. 529 Advisory Fees**

Wealthfront Advisers is compensated for its 529 advisory services by charging a fee based on the net market value of a Client's Account. Wealthfront Advisers 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 Advisers. In addition, Wealthfront Advisers may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

Wealthfront Advisers currently charges an annualized investment advisory fee of 0.25% on net market value of a Client's Account. Annual fees are charged on a monthly basis as explained below.

Wealthfront Advisers' investment advisory fees are not charged in advance and are calculated on a continuous basis and deducted from Client Accounts each month as follows: Wealthfront Advisers calculates a daily advisory fee, which is equal to the fee rate multiplied by the net market value of the Client's Account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The advisory fee for a calendar month is equal to the total of the daily fees calculated during that month and is deducted from Client Accounts no later than the tenth business day of the following month. Wealthfront Advisers waives its investment advisory fees on the first \$25,000 it manages for Nevada residents who open a college savings account, and this fee waiver applies to the aggregate of all of the Nevada

resident's Wealthfront Advisers account assets

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

#### **G. Other 529 Account Fees**

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 Advisers 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 Advisers 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 Advisers 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 an eligible change of Beneficiary), which may initiate an adjustment in the Accounts' holdings. In that case, unless otherwise directed by the Client, Wealthfront Advisers 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 Advisers' software based 529 investment advisory service should be aware that Wealthfront Advisers' relationship with Clients is likely to be different from the "traditional" investment advisory relationship in several aspects:

- A. Wealthfront Advisers is a software-based investment adviser, which means each Client must acknowledge her ability and willingness to conduct her relationship with

Wealthfront Advisers on an electronic basis. Under the terms of the 529 Client Agreement and the 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 Advisers' electronic communications. Unless noted otherwise on the Site or within this Brochure, Wealthfront Advisers' investment advisory service, Wealthfront Brokerage's brokerage services, the signatures for the 529 Client Agreement, the Brokerage Agreement, the Participation Agreement, and all documentation related to the advisory and brokerage services are managed electronically. Wealthfront Advisers does make individual representatives available to discuss servicing matters with Clients.

- B. To provide its investment advisory services and tailor its investment decisions to each Client's specific needs, Wealthfront Advisers collects information from each Client, including specific information about her investing profile such as financial situation, risk tolerance, and investment objectives. Wealthfront Advisers 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 Advisers) When customizing its investment solutions, Wealthfront Advisers relies upon the information received from a Client. Although Wealthfront Advisers contacts its Clients periodically as described further in Item 7 below, a Client must promptly notify Wealthfront Advisers of any change in her financial situation or investment objectives that might require a review or revision of her Account's portfolio.
- C. Clients may not place orders to purchase or sell securities on a self-directed basis.

### **Item 6 Methods of Analysis, Investment Strategies and Risk Considerations**

For its software-based 529 investment advisory service, Wealthfront Advisers provides Clients with investment advisory service that is based on 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. Wealthfront Advisers' goal is to enable anyone with at least \$500 to access the benefits of MPT.

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

To employ MPT properly, one must start with an accurate determination of an individual's

objective and subjective tolerance for risk. Achieving accuracy requires sophisticated software applied to more detailed questions than are typically asked by advisers. Based on this risk analysis, Wealthfront Advisers seeks to create an individualized investment plan using the optimal asset classes in which to invest, the most efficient and inexpensive ETFs (to 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 Advisers 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 Advisers' software-based 529 investment advisory 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 Advisers. Wealthfront Advisers 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 Advisers 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 Advisers does not charge performance-based fees. Our advisory fees are only charged as disclosed above in Item 4.F.

### **Risk Considerations**

Wealthfront Advisers 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 Advisers' 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 Advisers’ control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a Client has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client Account to underperform relative to the overall market.

**Advisory Risk** – There is no guarantee that Wealthfront Advisers’ judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. It is possible that Clients or Wealthfront Advisers itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Wealthfront Advisers’ software-based investment advisory service. Wealthfront Advisers and its representatives are not responsible to any Client for losses unless caused by Wealthfront Advisers breaching its fiduciary duty.

**Software Risk** – Wealthfront Advisers delivers its investment advisory services entirely through software. Consequently, Wealthfront Advisers rigorously designs, develops and tests its software extensively before putting such software into production with actual Client accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on the Site, mobile app, blogs or other Wealthfront Advisers disclosure documents, especially in certain combinations of unusual circumstances. Wealthfront Advisers continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed.

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

**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 Advisers.

**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 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 Advisers 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 Advisers 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 Advisers 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 Advisers. 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 Advisers may not necessarily continue as investment adviser and distributor to the Plan (although Wealthfront Advisers will continue as the Client’s investment adviser until either Wealthfront Advisers 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 Advisers 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 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 ETF's 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 Advisers 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 Advisers 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.

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

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

Wealthfront Advisers 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 Advisers' 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 Advisers.

### **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 Advisers 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 Advisers will promptly make any changes to Client's goals 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 Advisers is obligated to disclose any disciplinary event that might be material to any Client when evaluating our services. Wealthfront Advisers does not have any material legal, financial, regulatory, or other disciplinary item to report to any Client. This statement applies to both Wealthfront Advisers and to every Wealthfront Advisers' employee.

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

Wealthfront Advisers utilizes its affiliate, Wealthfront Brokerage, to effect transactions on behalf of the Clients. In respect to the Plan, Wealthfront Brokerage instructs the Plan's recordkeeper and custodian on behalf of Wealthfront Advisers, where applicable, to provide execution services for the Client's 529 Account transactions pursuant to the authority the Client has given under the applicable 529 Client Agreement and Brokerage Agreement.

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

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

Wealthfront Advisers' Code of Ethics (the "Code") establishes standards of conduct for all Wealthfront Advisers' "Employees" (as defined in the Code), including all officers, directors, employees, certain contractors and others, and is consistent with the code of ethics requirements

of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code includes general requirements that all Employees comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

Each new Wealthfront Advisers' Employee receives a copy of the Code when hired or engaged by Wealthfront Advisers. Wealthfront Advisers sends copies of any amendments to the Code to all Supervised Persons, who must acknowledge in writing having received the Code and the amendments. Annually or as otherwise required, each Supervised Person must confirm to Wealthfront Advisers that he or she has complied with the Code during such preceding period.

With certain exceptions specified in the Code, under the Code, Wealthfront Advisers' Employees may personally invest in securities recommended by Wealthfront Advisers, 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 been pre-approved for trading by Wealthfront Advisers' Chief Compliance Officer based on the security's liquidity profile and structural characteristics. Wealthfront Advisers' Employees may also buy or sell specific securities for their own accounts that are not purchased or sold for Clients. Under certain circumstances, Employees may also buy and sell securities that are bought or sold for Clients. These personal transactions require pre-approval from Wealthfront Advisers' compliance department who determines if any actual or perceived conflicts exists with Clients. These personal securities transactions are subject to certain limitations such as the size of the trade and the market capitalization size of the issuer company. Wealthfront Advisers monitors the securities transactions of all Employees and investigates any failure to receive pre-clearance as well as any unusual patterns that it detects. It also requires all Employees to report any violations of the Code promptly to Wealthfront Advisers' Chief Compliance Officer. The complete Code of Ethics is available to any client or prospective Client upon request.

### **Review of Accounts**

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

Wealthfront Advisers' software based 529 investment advisory 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 Advisers reviews each Client's Account when it is opened and using software, 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 Advisers also conducts reviews when Clients make changes to their risk profiles. Wealthfront Advisers 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 periodic basis, Wealthfront Advisers contacts each Client to remind them to review and update personal profile information they previously provided. Wealthfront Advisers also requests that Clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the Client's current information and contact information for the Wealthfront Advisers support team. Currently the Wealthfront Advisers team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: the Client Services Manager and the Client Services team.

Wealthfront Advisers periodically reviews the ETFs used for the municipal fund securities making up Client 529 portfolios. Wealthfront Advisers' Investment Committee, a committee comprised of Wealthfront Advisers' CEO Andrew Rachleff and certain other Wealthfront Advisers officers who are not members of Wealthfront Advisers investment research team, approves of these reviews. The committee has the authority, if necessary, to remove, add or replace an ETF from the municipal fund securities making up the portfolios advised by Wealthfront Advisers.

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

Wealthfront Advisers 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, including Wealthfront Advisers' Invite Program pursuant to which Clients may invite friends, family and others to open an account with Wealthfront Advisers. Wealthfront Advisers waives its advisory fee on \$5,000 of Account assets for both the referring Client and the referred Client for each referral. Wealthfront Advisers may also invite non-Clients to open an account with Wealthfront Advisers via the Invite Program. For non-Clients who become Clients via direct invitation from Wealthfront Advisers, Wealthfront Advisers will waive its advisory fee on a predetermined amount of the Client's Account assets.

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

While it is not a common practice, Wealthfront Advisers from to time has engaged solicitors whom it pays for Client referrals. Wealthfront Advisers 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.



### **Voting Client Securities**

Wealthfront Advisers, 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 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 Advisers voted a Client's proxies, and Clients may request a copy of the firm's proxy policies and procedures by emailing [support@wealthfront.com](mailto:support@wealthfront.com). Clients should not become or continue as a Client if they wish to vote such proxies.

### **Financial Information**

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

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

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

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

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

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

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

- 529 College Plan Client Agreement with Wealthfront Advisers LLC and all amendments, notices and other agreements that supplement the 529 College Plan Client Agreement (the "529 Client Agreement");
- 529 Customer Brokerage and Custody Agreement with Wealthfront Brokerage LLC and all amendments, notices and other agreements that supplement the Customer Brokerage and Custody Agreement (the "529 Customer Brokerage and Custody Agreement");
- Participation Agreement with the 529 State Trust ("Participation Agreement");
- Any other agreements pertaining to future accounts that you may establish with Wealthfront Advisers and/or Wealthfront Brokerage and all amendments, notices and other agreements that supplement those agreements;
- Wealthfront Advisers' [Form ADV Part 2 \(including Wealthfront 529 Program Brochure\)](#), Notice of [Privacy Policy, Terms of Use](#) and other required and permitted legal disclosures; and
- Statements and reports, including without limitation account statements, fee calculation statements, transactions histories, trade confirmations, tax forms, reports and/or performance reports, prospectuses, statement of additional information, annual and semi-annual reports of mutual funds and exchange traded funds (ETFs).

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

You agree that your use of a key pad, mouse or other device to select an item, button, icon or similar act/action, or to otherwise provide the Company with instructions, or in accessing or making any transaction regarding any agreement, acknowledgement, consent terms, disclosures or conditions constitutes your signature (hereafter referred to as "E-Signature"), acceptance and agreement as if actually signed by you in writing. You acknowledge you are signing this Consent, the 529 Client Agreement, the 529 Customer Brokerage and Custody Agreement and Participation Agreement with an E-Signature. You agree your E-Signature is the legal equivalent of your manual signature on this Consent, the 529 Client Agreement, the 529 Customer Brokerage and Custody Agreement and Participation Agreement. You consent to be legally bound by this Consent's terms and conditions. You also agree

that no certification authority or other third-party verification is necessary to validate your E-Signature and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting contract between you and the Company. You represent that you are authorized to execute this Consent, the 529 Client Agreement, the 529 Customer Brokerage and Custody Agreement and Participation Agreement for all persons who own or are authorized to access any of your accounts and that such persons will be bound by the terms of this Consent, the 529 Client Agreement, the 529 Customer Brokerage and Custody Agreement and Participation Agreement.

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

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

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

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

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

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

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

- a Current Version of an Internet browser we support,
- a connection to the Internet,
- a Current Version of a program that accurately reads and displays PDF files (such as Adobe Acrobat Reader), and
- a computer or mobile device and an operating system capable of supporting all of the above. You will also need a printer if you wish to print out and retain records on paper, and electronic storage if you wish to retain records in electronic form

You must also have an active email address.

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

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

# Privacy Policy

Policy Effective Date: Updated August 1, 2018

## Your Privacy Matters

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

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

## Introduction

Wealthfront Corporation (formerly known as Wealthfront Inc.) and its affiliates ("Wealthfront", "we", "us" and/or "our") offer financial planning and portfolio management services through an automated investment adviser service ("Service"). Our Service is made available through Wealthfront's website, [www.wealthfront.com](http://www.wealthfront.com) ("Site"), or our related mobile application ("App"). This Privacy Policy describes how Wealthfront treats your Personal Information when you use or evaluate our Site, App and/or Service and/or when you apply to become and/or become a Wealthfront employee ("Employee").

For the purpose of this Privacy Policy, a User is an individual who uses our Site or App to understand or evaluate our Service; 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 Site, App and/or Service.

## Information Collection

The type of information we collect depends on whether you are a current or former User, Client and/or Employee. We collect Personal Information from you when you voluntarily provide it to us. Examples of instances when we collect Personal Information include:

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

Wherever Wealthfront collects Personal Information, we endeavor to provide a link to this Privacy Policy and other relevant terms, such as our [Terms of Use](#).

## Information We Collect from Users

We collect Personal Information such as name, address, telephone number and other 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 collect your e-mail address and/or telephone number should you engage with us via our Site, App, or email or by calling our client service team.

## Information We Collect from Clients

If you choose to become a Client, in addition to the information we collect from you as a User, described above, we will ask you for certain additional Personal Information, including but not limited to:

- your and your beneficiaries' full legal name, contact information, birth date, Social Security Number, citizenship;
- your investment objectives, approximate net worth, and other regulatory disclosures that may be necessary and required by federal and certain statutory laws (see our [Client Agreement](#));
- 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. Note: if you choose to link to our Service, we may use a third-party service to aggregate your account data.

## Information We Collect when Acting As a Client's Authorized Agent

Many of Wealthfront's Clients choose to aggregate information from accounts at other financial institutions onto their dashboard on our Site or in our App; in enabling this functionality, Wealthfront acts as an agent to retrieve the Client account information maintained by such third-party financial institutions with which the Client has a legally-binding customer relationship ("Account Information"). This Account Information may include account balances, transactions and holdings from the linked financial institutions.

By choosing to use our Service to aggregate and analyze Account Information, you expressly authorize and direct Wealthfront, on your behalf, to electronically retrieve Account Information. Wealthfront may work with one or more third-party financial service providers to access and retrieve your Account Information.

## Information We Collect from Employees

Wealthfront collects Personal Information from current, prospective and former Employees, their designated contact in case of a medical emergency, and beneficiaries under any insurance policy ("Employee Personal Information"). The Employee Personal Information we collect may include title, name, address, phone number, email address, date of birth, passport number, driver's license number, social security number, financial information related to credit checks, bank details for payroll, external brokerage account information, holdings and trading activity, information that may be recorded on a CV, resume or other employment application form, contact information in case of an emergency, and beneficiaries under any insurance policy. Additionally, we may collect sensitive Employee Personal Information, such as details of health and disability, including mental health, medical leave, and parental leave.

## Information We Collect via the 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 a person 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 Information.

## Information Regarding Children

Due to the nature of our business, Services and benefits are not marketed to minors. Except for beneficiary information as described above, Wealthfront does not knowingly solicit Personal Information from children under the age of 18.

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

If we learn that we have collected Personal Information directly from a minor, we will delete such information from our files.

If a parent or guardian becomes aware that his or her child under the age of 18 has directly provided us with Personal 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 Ways We Collect Information

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

1. **Anonymized or aggregated Information.** Wealthfront’s Site and App automatically record certain anonymized or aggregated information about your use or evaluation of our Service. Anonymized or aggregated information is used for a variety of functions, including the measurement of Users’ interest in and use of various portions or features of the Site and App. Anonymized or aggregated information is not Personal Information, and we may use such information in a number of ways, including internal analysis, analytics and research. We may share this information with third-parties for our purposes in an anonymized or aggregated form that is designed to prevent anyone from identifying you.
2. **Cookies and Pixels.** Similar to other technology platforms and services, Wealthfront uses cookies, a small piece of computer code that enables our Web servers to “identify” Users, each time an individual initiates a session on our Site. A cookie is set in order to identify you and tailor the Site to you. Cookies do not store any of the Personal Information that you provided to us; they are simply identifiers. You may delete cookie files from your own hard drive at any time. However, cookies may be necessary to provide access to much of the content and many of the features of the Site.
3. **Pixel Tags.** Along with cookies, we may use “pixel tags,” also known as “web beacons,” which are small graphic files that allow us to monitor the use of our Sites. A pixel tag can collect information such as the Internet Protocol (“IP”) address of the computer that downloaded the page on which the tag appears; the URL of the page on which the pixel tag appears; the time the page containing the pixel tag was viewed; the type of browser that fetched the pixel tag; and the identification number of any cookie on the computer previously placed by that server.

4. **Site and App Activity.** Wealthfront may also use third-party tracking technology, such as Google Analytics, to record similar information regarding you and your activity on our Site and App.
5. **“Do Not Track” Technology.** We do not collect Personal Information about your online activities over time and across different web sites or online services. Therefore, our Site does not respond to Do Not Track (“DNT”) signals. We do not knowingly authorize third-parties to collect Personal Information about your online activities over time and across different web sites or online services.

## How we use Information

### User Personal Information

We use your Personal Information to help you evaluate our Service, offer you new products or services, and enhance our Service. We may also use your Personal Information in a number of ways, including research, internal analysis, and analytics.

### Client Personal Information

Wealthfront stores, processes, and maintains Personal Information 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 (the “SEC”) and Financial Industry Regulatory Authority, Inc. (“FINRA”). As a User, 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.

Additionally, we may share the information required to become a Client with our brokerage partner(s) solely to allow our brokerage partner(s) to provide services to you.

If a Client is also a User, the provisions hereunder related to Users will apply to such Personal Information in those circumstances.

### Mobile Computing

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

### Employee Personal Information

We acquire, hold, use and process Employee Personal Information for a variety of business purposes including but not limited to:

- Human Resources administration and communication;
- Payroll and the provision of benefits; compensation, including bonuses and long-term incentive administration, stock plan administration, compensation analysis, including monitoring overtime and compliance with labor laws, and company recognition programs
- Workflow management, assigning, managing and administering projects;
- Performance and employee development management;
- Organizational development and succession planning;
- Emergency contacts and services;
- Processing of employee expenses and travel charges;
- Monitoring compliance with regulatory requirements.

If an Employee is also a User or a Client, the provisions hereunder related to Users and Clients will apply to such Personal Information in those circumstances.

### Information Sharing and Onward Transfer

We will not sell, rent, or trade your Personal Information (whether you are a current or former User, Client and/or Employee) to any nonaffiliated 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](#).

Wealthfront may share your Personal Information among affiliated Wealthfront entities in connection with the provision of Services to Clients and Users. There are certain circumstances, in which we may share your Personal Information with nonaffiliated third-parties without further disclosure to you. For example, from time-to-time, we hire third-parties to perform certain business and technology related functions (e.g., mailing information, database maintenance and payment processing). In the case we hire a third party to perform a function of this kind, we endeavor to only provide them with the minimum information they need to perform their specific function and to require these third parties to safeguard your information.

### No Renting, Selling or Trading Out List

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

### Your Choices and Opting Out

You have the right to opt out of certain uses and disclosures of your Personal Information, as set out in this Privacy Policy.

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

### Opting-Out - Obtaining and Withdrawing Consent

Where you have consented to Wealthfront's use of your Personal Information, you may withdraw that consent at any time and opt out by contacting us by email, phone or physical mail via the contacts indicated under the "Questions and Contacting Us" section below. Additionally, before we use Personal Information for any new purpose not originally authorized by you, we will provide information regarding the new purpose and give you the opportunity to opt out.



Prior to disclosing sensitive Personal Information to a third-party or processing sensitive Personal Information for a purpose other than its original purpose, the purposes set forth under this Privacy Policy or the purpose authorized subsequently by you, we will endeavor to obtain your explicit consent (opt-in). Where your consent for the processing of Personal Information is otherwise required by law or contract, we will comply with the law or contract.

We will use Employee Personal Information only for employment-related purposes. If we intend to use this Employee Personal Information for any other purpose, we will provide the Employee with an opportunity to opt-out of such use.

### Restricting Communications

Wealthfront may use your Personal Information 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 communications from us, please follow the “unsubscribe” instructions provided in the communications or contact us at [support@wealthfront.com](mailto:support@wealthfront.com). Please note that you cannot opt-out of administrative communications such as regulatory, billing or service notifications.

### Accessing Your Personal Information

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

- Wealthfront provides all Clients with continuous access via the Site to prompt reporting information about account status, securities positions and balances.
- Clients can access or amend their Personal Information at any time by signing in to your Wealthfront account via our Site or App.
- Your requests will be processed in line with local laws, including without undue delay and in accordance with any required time frames. Although Wealthfront makes good faith efforts to provide individuals with access to their Personal Information, there may be circumstances in which we are unable to provide access, including but not limited to: where the information contains legal privilege, would compromise others’ privacy or other legitimate rights, where the burden or expense of providing access would be disproportionate to the risks to the individual’s privacy in the case in question or where it is commercially proprietary. If we determine that access should be restricted in any particular instance, we will endeavor to provide you with an explanation of why that determination has been made within one month of the request, a contact point for any further inquiries and any other legally required information. To protect your privacy, we will take commercially reasonable steps to verify your identity before granting access or making any changes to your Personal Information.

### Retention and Deletion

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

You may request deletion of Personal Information by contacting us at [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. 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, or in accordance with applicable laws.

## Security

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

## Other Important Information

### Advertising

We do not allow third-party advertising on our Site or App.

### Social Media and Links to Other Web Sites and Applications: “Linked Third-Party”

This Privacy Policy and these terms apply only to Wealthfront operated services and applications. Please note that our Sites may contain links to other websites, applications, social media accounts, and information for your convenience that are not operated or controlled by Wealthfront. Wealthfront does not control Linked Third-Party websites or their privacy practices, which may differ from those set out in this Privacy Policy. Wealthfront does not endorse or make any representations about Linked Third-Party information. Any Personal Information you choose to give to Linked Third-Parties is not covered by this Privacy Policy. We encourage you to review the privacy policy of any company or website before submitting your Personal Information. Some third-parties may choose to share their users’ Personal Information with us; that sharing is governed by that company’s privacy policy, not this Privacy Policy.

## California Privacy Rights

California law permits Users and Clients who are California residents to request and obtain from us once a year, free of charge, a list of the third-parties to whom we have disclosed their Personal Information (if any) for their direct marketing purposes in the prior calendar year, as well as the type of Personal Information disclosed to those parties. Wealthfront does not share Personal Information with third-parties for their own marketing purposes

## Changes to this Privacy Policy

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

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

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

#### Questions and Contacting Us

If after reviewing this Privacy Policy, you would like to submit a request, opt-out or you have any questions or privacy concerns, please contact us by email at [support@wealthfront.com](mailto:support@wealthfront.com), by phone at 844.995.8437 or via physical mail at:

Wealthfront Corporation  
900 Middlefield Road  
Redwood City, CA 94063

# **Wealthfront Brokerage LLC Disclosures**

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

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

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

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

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

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

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

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

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

## **Wealthfront Brokerage LLC Disclosures**

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

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

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

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

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

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

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

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

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

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

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

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

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

### Notice Regarding Phishing Scams

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

### Payment for Trading Instruction Flow

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

## 529 College Plan Customer Brokerage and Custody Agreement

By entering into the 529 College Plan Advisory Client Agreement (the “Account Agreement”) with Wealthfront Advisers LLC (“Wealthfront Advisers,” and the successor investment adviser to Wealthfront Inc.) you agree to enter into this 529 College Plan Customer Brokerage and Custody Agreement (this “Brokerage Agreement”) with Wealthfront Brokerage LLC (“Wealthfront Brokerage” and formerly known as Wealthfront Brokerage Corporation).

### 1. Definitions

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

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

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

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

*Custodian* means the custodian for the Plan.

*Designated Sweep Vehicle* means the RBC U.S. Government Money Market Fund and/or such other U.S. Government money market fund that Wealthfront Brokerage selects, or an account at a bank whose deposits are insured by the FDIC.

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

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

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

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

*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 primarily without limitation stocks, exchange traded funds (ETFs), mutual funds, and/or similarly traded instruments.

*Wealthfront Account, Client Account or Account* means all Plan accounts that Wealthfront Brokerage establishes and carries for you to hold your securities and money and record your transactions pursuant to the Plan.

### 2. Agency, Custody, and Trading

You appoint Wealthfront Brokerage as your agent to hold your Wealthfront Account and carry out instructions, including instructions for purchases and sales of Securities by Wealthfront Advisers and to act and rely on other instructions that Wealthfront Advisers transmits or provides on your behalf. You assume all investment risk with respect to your Wealthfront Account. All transactions in your Wealthfront Account will be executed only on the trading instruction of Wealthfront Advisers, acting as your authorized representative pursuant to the Account Agreement, except as provided by this Brokerage Agreement or otherwise agreed to by you. You authorize Wealthfront Brokerage, as your

agent, to establish relationships with the Clearing Broker, and to appoint and use other sub-agents. You authorize Wealthfront Brokerage and its sub-agents to take reasonable steps in connection with your Wealthfront Account and its rights and obligations under this Brokerage Agreement, including: opening, closing, and holding 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 trading instructions for transactions, including the trading instructions authorized by you in the Account Agreement and placed by Wealthfront Advisers on your behalf; effecting purchases and sales of Securities and other transactions, including without limitation transactions in securities or bank accounts maintained in Wealthfront Brokerage's name for the benefit of Wealthfront Brokerage's customers and reconciling such transactions with transactions in your Wealthfront Account; holding securities and money attributable to your Wealthfront Account in securities or bank accounts maintained in Wealthfront Brokerage's name for the benefit of Wealthfront Brokerage's customers and thus commingling such securities and money with that of other customers in the Wealthfront Program. You agree that Wealthfront Brokerage may, in its sole discretion and without prior notice to you, refuse or restrict trading instructions placed by you or by Wealthfront Advisers on your behalf.

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

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

### **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 [compliance@wealthfront.com](mailto:compliance@wealthfront.com) to provide consent and pertinent information. You agree that Wealthfront Brokerage will provide to your employer duplicate electronic statements and/or trade confirmations for your 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 Advisers. You further acknowledge that many types of typical brokerage products, services, and transactions are not available in your Wealthfront Account. The types of products, services, and transactions that will, subject to the terms and conditions of the Account Agreement and this Brokerage Agreement, generally *not* be available in your Wealthfront Account and that you shall have no right to request of or obtain from Wealthfront Brokerage include without limitation: (i) purchases or sales of Securities other than in connection with the Plan; (ii) transactions in corporate bonds, municipal or other government securities, private fund interests, limited partnership interests, or any securities other than the Securities included in the Plan; (iii) short sales; (iv) transactions in currency or foreign exchange; and (v) forwards, swaps, security-based swaps, security futures, warrants, options, structured products, or other derivatives.

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

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



and is not responsible for any such advice or services in connection with the Plan and does not recommend securities or transactions in connection with the Plan or otherwise.

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

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

## **5. Statements and Confirmations**

### **5.1 General**

You agree that you are responsible for reviewing all statements and confirmations for your Wealthfront Account. Statements and confirmations shall be considered accurate unless you notify Wealthfront Advisers or Wealthfront Brokerage in writing no later than ten Business Days after receipt of the applicable statement or confirmation that the information is inaccurate. Notifications and other 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 that Wealthfront Brokerage 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 Wealthfront Brokerage's discretion Wealthfront Brokerage considers it necessary for Wealthfront Brokerage's protection, or for the protection of Wealthfront Advisers or in the event of, but not limited to; (i) any breach by you of this or any other agreement with Wealthfront Brokerage or (ii) your failure to pay for securities and other property purchased or (iii) to deliver Securities and other property sold, Wealthfront Brokerage may sell any or all Securities and other property held in any of your Accounts (either individually or jointly with others), cancel or complete any open trading instructions for the purchase or sale of any Securities and other property, and/or borrow or buy-in any Securities and other property required to make delivery against any sale effected for you, all without notice or demand for deposit of collateral, other notice of sale or purchase, or other notice or advertisement, each of which is expressly waived by you. Wealthfront Brokerage may require you to deposit cash or adequate collateral to your Account prior to any settlement date in trading instruction to assure the performance or payment of any open contractual commitments and/or unsettled transactions. Wealthfront Brokerage has the right to refuse to execute securities transactions for you at any time and for any reason. To the extent permitted by applicable law, the Securities and/or other property Wealthfront Brokerage holds for you or in which you may have an interest held by Wealthfront Brokerage or carried in any of your Accounts 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 Advisers or Wealthfront Brokerage, wherever or however arising and without regard to whether or not Wealthfront Brokerage has made advances with respect to such Securities and other property, and are to be held by Wealthfront Brokerage as security for the payment of any liability or indebtedness in your Wealthfront Account to Wealthfront Brokerage, Wealthfront Advisers, or any of its affiliates. In connection with enforcing Wealthfront Brokerage's lien, perfected security interest or right of set-off, Wealthfront Brokerage may, at any time and without giving you prior notice, use, transfer, purchase, sell or otherwise liquidate any or all of your Securities 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 Wealthfront Brokerage, Wealthfront Advisers, or any of their

affiliates. As part of Wealthfront Brokerage's right of enforcement under this Section 6.1, Wealthfront Brokerage 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, Wealthfront Brokerage maintains all of the rights and remedies provided in this Brokerage Agreement. You agree to indemnify and hold Wealthfront Brokerage, Wealthfront Advisers, their affiliates and the Indemnified Persons harmless from and against any losses, costs or expenses incurred or payable in connection with (i) Wealthfront Brokerage's remedies under this Section 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 Wealthfront Brokerage shall, without limiting its other rights under this Section 6.1, have the right to offset amounts you owe Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates against any amounts Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates owes you. You will remain liable for the deficiency. You will pay the reasonable costs and expenses of any debit balance and any unpaid deficiency in your Wealthfront Account, including without limitation attorney fees and costs incurred by Wealthfront Brokerage, Wealthfront Advisers, or any of their affiliates.

## **6.2 Cancellation**

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

## **6.3 Payment of Indebtedness on Demand**

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

# **7. Fees**

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

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

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

Wealthfront Brokerage reserves the right to charge reasonable fees for some in-kind withdrawals, preparation and delivery of paper confirmations or statements, rejected payments, and, if approved by Wealthfront Advisers in its sole discretion in accordance with the Account Agreement, wire transfers. Wealthfront Brokerage reserves the right to waive or reduce, in its sole discretion, any fees for irregular services described in this Section 8.2. You agree that Wealthfront Brokerage may charge reasonable and customary fees for services that are not Basic Brokerage Services, that are not expressly referenced in the Account Agreement, and that Wealthfront Brokerage agrees in its sole discretion to perform on a case-by-case basis. Fees for Optional Brokerage Services shall be as set forth in the separate written agreements pertaining to such services.

## **7.3 Fee Deduction**

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

Wealthfront Brokerage 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.

## **8. 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 Wealthfront Brokerage at [support@wealthfront.com](mailto:support@wealthfront.com) or during the hours of 7:00 am to 5:00 pm Pacific Time at (844) 995-8437.

## **9. Privacy**

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

## **10. Securities Investor Protection Corporation**

Wealthfront Brokerage is a member of the Securities Investor Protection Corporation ("SIPC"). SIPC protects client accounts against the loss of securities in the event of the member's insolvency and liquidation of a broker-dealer by replacing missing securities and cash up to a maximum of \$500,000 per client, including a \$250,000 limit for claims for cash. 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.

## **11. Funds Transfers**

### **11.1 Your Liability for Unauthorized Transfers**

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

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

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

### **11.3 Error Resolution**

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

### **11.4 Restrictions on Deposits into Accounts**

Notwithstanding anything to the contrary in this Agreement, all deposits, including but not limited to electronic deposits and deposits by checks, into an Account are subject to review and may be restricted for up to sixty (60) days.

## **12. Abandoned Accounts**

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

## **13. Duty**

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

## **14. Assignment**

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

## **15. Dispute Resolution**

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

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

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

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

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

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

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

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

**THE FOLLOWING ARBITRATION AGREEMENT SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURES ABOVE. WITHOUT LIMITING SECTION 15 OF THE ACCOUNT AGREEMENT, ANY AND ALL CONTROVERSIES, DISPUTES OR CLAIMS BETWEEN YOU AND WEALTHFRONT BROKERAGE, OR THE AGENTS, REPRESENTATIVES, EMPLOYEES, DIRECTORS, MEMBERS, MANAGERS, OFFICERS OR CONTROL PERSONS OF WEALTHFRONT BROKERAGE (EXCLUDING WEALTHFRONT) ARISING OUT OF (i) ANY PROVISIONS OF OR THE VALIDITY OF THIS BROKERAGE AGREEMENT, OR (ii) ANY CONTROVERSY ARISING OUT OF WEALTHFRONT BROKERAGE'S BUSINESS OR WEALTHFRONT BROKERAGE'S CONDUCT WITH RESPECT TO THE WEALTHFRONT ACCOUNTS, SHALL BE CONDUCTED PURSUANT TO THE APPLICABLE CODE OF ARBITRATION PROCEDURE OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA"), WHICH CAN BE FOUND HERE (<https://www.finra.org/arbitration-and-mediation/code-arbitration-procedure>). 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.

## **16. Representations**

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

### **16.1 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.

### **16.2 Compliance with Law**

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

### **16.3 Authority**

i. You have the requisite legal capacity, authority and power to execute, deliver and perform your obligations under this Brokerage Agreement. This Brokerage Agreement has been duly authorized, executed and delivered by you and is your legal, valid and binding agreement, enforceable against you in accordance with its terms. Your execution of this Brokerage Agreement and the performance of your obligations hereunder do not conflict with or violate any obligations by which you are bound, whether arising by contract, operation of law or otherwise. If you are an entity, the individual trustee, agent, representative or nominee (the "Client Representative") executing this Brokerage Agreement on your behalf has the requisite legal capacity, authority and power to execute, deliver and perform such execution and the obligations under this Brokerage Agreement as applicable. Specifically, if you are a corporation, limited liability company, partnership, or other legal entity that is not an individual, the Client Representative signing this Brokerage Agreement on your behalf has been authorized to execute this Brokerage Agreement by appropriate corporate, member or manager, partnership or similar action, and if this Brokerage Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary has authority to enter into this Brokerage Agreement on your behalf, you have the power and authority to enter into this

Brokerage Agreement and that the services described herein are authorized under your applicable articles, certificate, charter, operating agreement, partnership agreement, plan document, trust or organizational, delegation or formation documents or law. You will deliver to Wealthfront Brokerage evidence of your and Client Representative's authority on Wealthfront Brokerage's request and will promptly notify Wealthfront Brokerage of any change in such authority, including but not limited to an amendment to your organizational, delegation or formation documents that changes the information you provide to Wealthfront Brokerage on opening the Wealthfront Account.

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

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

iv. You will provide Wealthfront Brokerage as requested with complete and accurate information about your identity, background, net worth, investing timeframe, other risk considerations, any Securities from which you may be or become legally restricted from buying or selling, and other investment accounts, in your investment profile with Wealthfront Advisers and will promptly update that information as your circumstances change.

v. You acknowledge that Wealthfront Advisers and Wealthfront Brokerage are subject to certain anti-money laundering ("AML") and related provisions under applicable laws, rules and regulations and are otherwise prohibited from engaging in transactions with, or providing services to, certain foreign countries, territories, entities and individuals, including without limitation, specially designated nationals, specially designated narcotics traffickers and other parties subject to United States government or United Nations sanctions and embargo programs (collectively "AML Laws"). In furtherance of the foregoing, you hereby represent and warrant the following and shall promptly notify Wealthfront Advisers or Wealthfront Brokerage if any of the following ceases to be true and accurate: (a) to the best of your knowledge based upon appropriate diligence and investigation, none of the cash or property that you have paid or will pay or deposit to Wealthfront Advisers or Wealthfront Brokerage has been or shall be derived from or related to any activity that is deemed criminal under United States law, nor will any of your payments or deposits to Wealthfront Advisers or Wealthfront Brokerage directly or indirectly contravene United States federal, state, international or other laws or regulations, including without limitation any AML Laws (b) no contribution or payment by you to Wealthfront Advisers or Wealthfront Brokerage shall cause Wealthfront Advisers or Wealthfront Brokerage to be in violation of any AML Laws. You understand and agree that if at any time it is discovered that any of the representations in this Section 18.3(a)(v) are untrue or inaccurate, or if otherwise required by applicable law or regulation related to money laundering and similar activities, Wealthfront Brokerage may undertake appropriate actions to ensure compliance with applicable law or regulation, including, but not limited to, freezing or forcing a withdrawal of your cash or assets from Wealthfront Advisers and Wealthfront Brokerage.

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

#### **16.4 No Plan Assets**

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

#### **17. Joint Accounts**

If multiple persons are entering into this Brokerage Agreement on behalf of a joint account, each understands and agrees that the representations, warranties and agreements made herein are made on behalf of each and all of the joint account holders and further agree that each (a) is a customer of Wealthfront Brokerage pursuant hereto; (b) has the authority to act on behalf of the Account subject to Wealthfront Advisers' exclusive investment discretion with respect to the Account, and Wealthfront Advisers and/or Wealthfront Brokerage is entitled to rely upon and may accept such instructions from any one Client, which may be limited due to only one of the Clients having login privileges to the Account, without any requirement to seek confirmation of instructions from the other Client(s); (c) is jointly and severally liable per the terms of this Brokerage Agreement; and (d) that in the case of death of any of the joint account holders, interest in the entire Account shall vest in the surviving Account holder(s) under the same terms and conditions of this Brokerage Agreement and the surviving Account holder(s) shall promptly provide Wealthfront Brokerage with written notice thereof and provide any documentation reasonably requested by Wealthfront Brokerage in its management of the Account. Wealthfront Brokerage may deliver securities or other property to, and send confirmations, notices, statements and communications of every kind, to any one of you, and such action shall be binding on each of you.

#### **18. Notices**

All notices and communications under this Agreement must be made through the Site or by email. Wealthfront Brokerage's contact information for this purpose is [support@wealthfront.com](mailto:support@wealthfront.com), and you 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.

#### **19. Governing Law**

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

#### **20. Severability and Amendment**

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

#### **21. Waiver or Modification.**

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

#### **22. 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.

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

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

#### **24. Termination and Survival**

This Agreement may be terminated by either party with or without cause by notice to the other party, which notice shall be provided by you to Wealthfront Brokerage through the Site and by Wealthfront Brokerage to you through the primary email address in your Account Application as you shall update from time to time. You may withdraw all or part of the Account by notifying Wealthfront at any time, however certain partial withdrawals may result in termination of this Agreement. 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 20 through 25 shall survive such termination. Client understands and agrees that Wealthfront Advisers may determine to liquidate immediately all holdings in the Wealthfront Account.

#### **25. Market Data Not Guaranteed**

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

#### **26. Cash Sweep Program**

##### **26.1 Consent**

We automatically transfer uninvested cash in your account to a money market mutual fund as further described in 28.2 and 28.3 ("Cash Sweep Program"). We reserve the right to change both the products available and the general terms and conditions of the Cash Sweep Program, including sweeping uninvested cash in your account to either a bank account whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or to a different money market mutual fund. We will give you 30 days notification prior to making changes to the terms and conditions of the Sweep Program; making changes to the terms and conditions of a product currently available through the Sweep Program; changing, adding or deleting products available through the Sweep Program; or changing the customer's investment through the Sweep Program from one product to another.

By entering into this Brokerage Agreement, you affirmatively consent to having the available cash in your Wealthfront Account be swept into the Designated Sweep Vehicle according to Wealthfront Advisers' instructions. You further consent that notifications and disclosure concerning changes to the Cash Sweep Program will be made through updates to the Client and Brokerage Agreement.

##### **26.2 Money Market Mutual Fund Sweep**

You agree that your available cash in the Wealthfront Account will be swept into the RBC U.S. Government Money Market Fund ("RBC Fund") pending investment of the cash at Wealthfront Advisers' instruction or until otherwise needed to satisfy obligations arising in connection with your Wealthfront Account. Cash will be automatically invested in the RBC Fund. Proceeds from the sale of Securities will be swept into the RBC Fund following settlement if the Securities sold have been received in good deliverable form by the settlement date. The proceeds of any checks, wires or Automated Clearing House ("ACH") transactions that you deposit to your Wealthfront Account will be swept to the RBC Fund by Wealthfront Brokerage and will begin earning dividends or interest on that immediately following business day. Access to such funds may be withheld for up to six Business Days to assure



that such deposits have not been returned unpaid. You authorize Wealthfront Brokerage to automatically redeem balances maintained in the RBC Fund to satisfy your obligations. You authorize Wealthfront Brokerage to act as your agent to purchase and redeem balances in the RBC Fund, and further authorize Wealthfront Brokerage to select and use agents as Wealthfront Brokerage deems appropriate.

### **26.3 Acknowledgements**

You acknowledge and agree that: Investments in the RBC Fund are subject to restrictions described in the applicable RBC Fund prospectus. For more complete information about the RBC Fund, including charges and expenses, read the RBC Fund's prospectus carefully. An investment in the RBC Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although investments in the RBC Fund provide a means of earning a return on cash, there can be no assurance that the RBC Fund will be able to maintain a stable net asset value of \$1 per share. In the event that the RBC Fund is no longer able to maintain the net asset value of its shares at \$1, then you authorize and instruct Wealthfront Brokerage, without further notice to you, to redeem all of your RBC Fund shares as soon as commercially practicable and deposit the proceeds in your Wealthfront Account.

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