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Client Relationship Summary - Conversation Starter Supplement

Wealthfront Advisers LLC and Wealthfront Brokerage LLC

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Given my financial situation, should I choose an investment advisory service? Why or why not?

You should choose an investment advisory service only if you're ready to start investing in the first place. Normally, this will be once you have covered health and disability insurance and built a reasonable emergency fund. Specifically, Wealthfront is an investment advisory service for millennials who save and prefer to manage their lives via apps and technology. Wealthfront is probably not the most appropriate service for someone who wants frequent feedback from an advisor.

How will you choose investments to recommend to me?

To provide our investment advisory services and investment decisions tailored to your specific needs, Wealthfront Advisers collects information from you, including specific information about your investing profile such as financial situation, risk profile, and investment objectives. Wealthfront Advisers maintains this information in strict confidence subject to our [Privacy Policy](#).

How we choose investments to recommend in taxable accounts or IRAs

Based on your investing profile, Wealthfront Advisers creates an investment plan designed to be consistent with your individual risk tolerances and chooses investments based on: (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 your specific risk tolerance, and (4) the most appropriate time to rebalance your portfolio to maintain intended risk tolerance and optimal return for your risk level.

Wealthfront Advisers believes its selection process identifies ETFs with high liquidity, low expenses, and low tracking error. However, Wealthfront Advisers' selection process does not guarantee the quality of a particular ETF or that it will (1) be profitable, (2) properly track any comparable index, (3) trade in a liquid fashion, or (4) trade at or above its publicly-posted market price.

For taxable accounts, Wealthfront Advisers offers tax-loss harvesting ("TLH"). TLH is a technique designed to help lower your taxes while maintaining the expected risk and return profile of your portfolio. TLH harvests previously unrecognized investment losses to offset taxes due on your other gains and income by selling a security at a loss to accelerate the realization of capital loss and investing the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be applied to lower your tax liability and the tax savings can be reinvested to grow the value of your portfolio. Wealthfront Advisers' basic TLH strategy, which is solely applied to ETFs, is available for all Clients. Stock Level Tax Loss Harvesting is available for Clients with larger account sizes and is applied to the domestic equity allocation in taxable account portfolios.

How we choose investments to recommend in 529 plan college savings accounts

Based on your individual risk tolerances, Wealthfront Advisers constructs a portfolio using up to nine of the 529 plan's separate municipal fund securities (each a "MFS"), of which each MFS contains a single underlying ETF

that represents a particular asset class. Wealthfront Advisers designs your portfolio to provide a diversified asset allocation. Using your risk score, Wealthfront Advisers assigns your portfolio to one out of 20 glide paths, each of which determines how the Client's individual portfolio's allocations of designated portfolios will change over time. Each glide path gradually shifts the asset allocations of the MFSs in your portfolio to progressively decreasing levels of expected risk as the beneficiary's expected matriculation date approaches. Your starting point along the specific glide path is determined by the beneficiary's expected time to matriculation.