# SoFi Wealth LLC

## Form ADV, Part 2A, Appendix 1
## WRAP FEE PROGRAM BROCHURE

## SoFi Wealth Portfolio Management Program

### Item 1: Cover Page

234 1st St.
San Francisco, CA 94105
(855) 525-7634
www.sofi.com
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**This wrap fee program brochure provides information about the qualifications and business practices of SoFi Wealth, LLC. If you have any questions about the contents of this brochure, please contact us at (855) 525-7634. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. SoFi Wealth is an SEC-registered investment adviser; please note that such registration does not imply a certain level of skill or training.**

**Additional information about SoFi Wealth also is available on the SEC's website at www.adviserinfo.sec.go**

## Item 2: Material Changes

Under SEC Rules, you will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is in December. We may also provide you with a new Brochure or other ongoing disclosure information about material changes as necessary, without charge. This section addresses only specific material changes that have been made to the Brochure since the last annual amendment and is intended to provide clients with a summary of such changes.

- **Item 4: Services, Fees and Compensation:**
    - SoFi Wealth was a wholly owned subsidiary of Social Finance, LLC (formerly Social Finance, Inc.) ("SoFi"), a Delaware limited liability company. Effective January 2, 2024, SoFi transferred its full interest in SoFi Wealth to its affiliate, SoFi Hold Co., a Delaware corporation and wholly owned subsidiary of SoFi Technologies, Inc.
    - SoFi had agreed to waive management fees for SoFi-sponsored exchange traded funds held in client accounts until December 31, 2023. That fee waiver has been extended until at least June 30, 2024. Clients will not be subject to fees on SoFi sponsored ETFs during the waiver period.
    - Cash in automated investing accounts is generally minimal and is not deployed into the SoFi Securities Cash Sweep program, therefore, language describing a conflict of interest associated with that activity was removed.

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**Note:** Throughout this Brochure, SoFi Wealth, LLC will also be referenced as “SoFi Wealth”, or “the firm,” “our,” “we,” or “us.” In addition, the term “advisor” and “adviser” are used interchangeably.

## Item 4 - Services, Fees and Compensation

SoFi Wealth LLC ("SoFi Wealth") is an internet based (or "online") investment advisor registered with the Securities and Exchange Commission ("SEC") since 2013. SoFi Wealth provides investment advice to individual investors utilizing proprietary software, self-service tools, and through an experienced investment team that provides financial planning services and advice on general asset allocation. SoFi Wealth is owned by SoFi Hold Co., a holding company with no direct operations. SoFi Hold Co. is a direct, wholly owned subsidiary of SoFi Technologies, Inc. and under common ownership with Social Finance, LLC (formerly Social Finance, Inc.) ("SoFi"), a Delaware limited liability company, which is a wholly owned subsidiary of SoFi Technologies, Inc., a Delaware corporation. SoFi Technologies, Inc. is a publicly traded company (NASDAQ: SOFI).

### The Services We Provide

SoFi Wealth provides clients online investment advisory services pursuant to a computer model over the internet and through a mobile application ("Automated Investing" or "Automated Asset Management Services").

### Wrap Fee Program

#### Automated Asset Management Services

SoFi Wealth offers its clients the opportunity to establish Automated Investing under the SoFi Invest brand name. To establish Automated Investing, a client must accept and enter into a SoFi Wealth Advisory Agreement.

In accordance with the SoFi Wealth Advisory Agreement, SoFi Wealth allows the customer to establish an automated recurring deposit into an investment account, offers recommended asset allocation portfolios, manages portfolios, and performs certain advisory functions with respect to each portfolio. This includes recommending asset allocated portfolios and providing automated portfolio rebalancing services.

SoFi Wealth is authorized to, among other things:

- Recommend one of five asset allocation models to investors - aggressive, moderately aggressive, moderate, moderately conservative, and conservative. The system evaluates user risk profiles through our online risk-evaluation system, also referred to as the Goals, Risk and Objectives Exercise. Through a series of questions with user-input responses (goal, time horizon and risk tolerance), SoFi Wealth identifies appropriate risk profiles based on a set of criteria and automatically assigns the recommended asset allocation for our clients, which is designed to tailor client risk to the profile supplied by the user;

- Identify security choices for our clients in order to attempt to reduce trading costs and other fees; we periodically evaluate the performance of a range of indices and securities to determine if we should replace an asset class or implement an additional asset class in our clients' portfolios;

- Determine appropriate times for portfolio rebalancing, based on market factors that return the client to the target risk profile and attempt to lower trading costs and other fees;

- Identify asset classes and securities which are appropriate according to certain pre-programmed rules related to a client's account type and tax status: for instance, the election of a non-qualified vs qualified account will result in different underlying holdings, but models with a like risk tolerance will have similar target risk and return characteristics;

- Identify and evaluate the timing and method of disposition or liquidation of portfolio investments, select and determine investments to be disposed of or liquidated, and cause an investor to dispose of or liquidate investments in accordance with the terms of the Advisory Agreement in order to facilitate allocation remodeling;

- Engage personnel to assist the Investment Adviser in providing investment advisory services, including, without limitation, counsel, consultants, accountants, financial advisors and sub-investment advisers;

- Open, maintain and close accounts, including custodial accounts, but excluding collection accounts, with banks, including banks located outside the United States, and draw checks or other orders for the payment of monies;

- Incur expenses as the Investment Adviser determines to be appropriate in the best interest of investors, and, to the extent that the funds of an investor are available, pay all expenses, debts and obligations;

- Perform such other duties, activities, functions and all other similar things necessary to achieve, implement or facilitate any of the foregoing provisions in the United States as well as foreign jurisdictions as per contractual agreements; and

- Invest investor funds into ETFs, including Sofi-branded ETFs.

There is no limitation or restriction on the ability of the Investment Advisor or any of its Affiliates to act as an investment manager (or in a similar role) for other persons. This and other future activities of the Investment Adviser and its Affiliates raise conflicts of interest.

## Wrap Fee Program Overview

Automated Investing assets are managed as part of SoFi Wealth's Wrap Program. A wrap account is a professionally managed investment plan in which expenses, including brokerage commissions, management fees, and administrative costs, are "wrapped" into a single charge. SoFi Wealth's Wrap Program provides clients with investment guidance, portfolio management, and brokerage services. SoFi Wealth currently does not charge an advisory fee for this service, but clients will be responsible for brokerage and ETF fees.

SoFi Wealth buys and sells securities consistent with analysis designed to seek an investment return the adviser believes to be suitable to the investment objectives and goals of each distinct client account.

SoFi Wealth's proprietary computer algorithm determines a recommended portfolio with limited, if any, human interaction by performing an analysis of certain information provided by the client when establishing an account. The information analyzed includes the goal of the account, risk tolerance, and time horizon. The higher the risk tolerance and longer the time horizon indicated, the more

growth-oriented or aggressive the recommended portfolio will be. Lower risk tolerance and shorter time horizon will result in a more income-oriented or conservative recommendation. Goals are considered to the extent that the account value is expected to be withdrawn in a lump sum, or over time, resulting in a more conservative or aggressive portfolio.

Client accounts are managed on a discretionary basis. See Item 16 of SoFi Wealth's Form ADV Part 2A Disclosure Brochure for more details. Clients are responsible for notifying SoFi of any changes to their financial situation or investment objectives by contacting a SoFi agent at (855) 525-7634. SoFi Wealth will periodically notify clients in writing how to update their financial information or request reasonable investment restrictions. Clients may independently modify their target asset allocation at any time through the SoFi Wealth website. Clients may establish a new Automated Investing account and provide the requested financial information to obtain an updated computer-generated portfolio recommendation from the algorithm.

Clients must appoint SoFi Wealth as their investment adviser of record on specified accounts (collectively, the "Account"). The Account consists only of separate account(s) held by qualified custodian(s) under the client's name. The qualified custodian maintains physical custody of all funds and securities of the Account, and the client retains all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. Please see Item 12 of SoFi Wealth's Form ADV Part 2A Disclosure Brochure for more information. Apex Clearing acts as the qualified custodian for all accounts enrolled in the SoFi Wealth Wrap Fee Program, and clients may not elect a different custodian.

It is important for a client to understand that we manage investments for other clients. The advice we give to any client might be different from the advice we give other clients and different from the actions taken on our personal accounts, which presents the potential for a conflict of interest. SoFi Wealth is not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) based on the information you have provided, and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

## Termination of our Advisory Agreement

The Advisory Agreement may be terminated by either party at any time, and without cause, in accordance with the applicable Advisory Agreement. Upon termination of any account any earned, unpaid fees will be due and payable in accordance with the applicable Advisory Agreement.

## Brokerage Practices

SoFi Wealth clients who purchase securities through the SoFi Wealth platform are required to utilize the brokerage services of our affiliate, SoFi Securities, a member of FINRA and SIPC, which acts as an

introducing broker-dealer effecting securities transactions for clients' accounts for which Apex Clearing provides trade execution and clearing services. Apex Clearing is broker-dealer, member FINRA and SIPC.

Not all investment adviser firms require the use of a particular broker/dealer. However, for operational and compliance purposes, we have made the decision to provide all asset management services through one brokerage and custodial platform. You are not required or obligated to utilize our services and therefore you are not required or obligated to open an account with SoFi Securities and Apex Clearing. However, if you do not want to use SoFi Securities or Apex Clearing, we are unable to provide our asset management services to you.

SoFi Wealth seeks the best overall execution of transactions for client accounts. Using an affiliated broker presents a conflict of interest, as it results in additional compensation for the firm. SoFi Wealth obtains information as to the general level of commission rates being charged by the brokerage community from time to time and will periodically evaluate the overall reasonableness of brokerage commissions paid on client transactions by reference to such data to ensure competitive commission rates. "Best execution" means the best overall qualitative execution, not necessarily the lowest possible commission cost. Accordingly, the factors that SoFi Wealth considers when selecting or recommending brokers are matters that directly benefit client accounts, and are consistent with obtaining the best execution of their transactions. These factors include: speed of execution, price improvement, commission, quality of overall execution services, expertise, financial condition, and skill.

SoFi Securities earns revenue from lending securities and earning interest on uninvested cash, via a sweep mechanism, in client accounts. Share lending programs benefit SoFi Wealth's affiliated broker-dealer, but will only benefit clients to the extent that such revenue is shared with clients.

SoFi Wealth aggregates securities sale and purchase orders for a client with similar orders being made contemporaneously for other client accounts. Using this trading method, the average price of the securities purchased or sold in such a transaction is calculated, and a client charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. SoFi Securities earns revenue from their role as introducing broker-dealer, including payments for order flow and securities lending. SoFi Securities does not charge commissions on trades.

## Fees and Compensation

SoFi Wealth offers asset management services under the brand "Automated Investing," under the broader SoFi Invest umbrella. SoFi Wealth does not currently charge a management fee for Automated Investing, but its broker-dealer affiliate, SoFi Securities LLC ("SoFi Securities"), earns revenue in two main ways when clients invest with SoFi Wealth. One way is payment for order flow (PFOF) which is the practice of wholesale market makers paying brokers for routing their clients' orders to the market maker for execution. By acquiring order flow in this way, market makers are able to trade profitably against client orders, while clients may benefit from reduced trading costs. SoFi Securities also earns revenue through Apex Clearing by lending clients' ETF shares held in brokerage accounts to short-sellers in an activity commonly called "Share Lending." SoFi Wealth will likely introduce other products or services for which it charges a fee in the future. SoFi Wealth may make changes to fees from time to time and will notify you of any such changes.

SoFi Wealth does not currently receive any sales commissions, 12b-1 fees or other fees from ETFs or other products for investing such funds on behalf of advisory clients. If this changes in the future, clients will be appropriately notified and disclosures updated.

As a general matter, clients who invest in an ETF pay ETF fees. An ETF typically includes embedded expenses that reduce the fund's net asset value, directly affecting the fund's performance and therefore also a Client's portfolio performance or an index benchmark comparison. Examples of ETF expenses are management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses change from time to time at the sole discretion of the ETF issuer. These ETF fees do not flow back to SoFi Wealth.

SoFi-branded ETFs include the SoFi Select 500 ETF, SoFi Next 500 ETF, SoFi Social 50 ETF, SoFi Enhanced Yield ETF. SoFi-branded ETFs are distributed by Foreside Fund Services, LLC. Not all SoFi-branded ETFs are included in the model portfolios. None of SoFi Wealth or any of its affiliates is an affiliated person of the Funds, the Adviser, the Sub-Adviser, the distributor, or any of their affiliates. The Fund's investment adviser agreed to waive its Management Fees for the SoFi-branded ETFs used in Automated Investing (SFY and SFYX) until at least June 30, 2024. At such time, the fee waivers end, client holdings will be subject to the management fees, and SoFi Wealth will earn revenue from these ETFs based on the investments made by SoFi Wealth clients.

Investors are charged incidental brokerage account fees for services provided by Apex Clearing such as IRA administration, maintaining inactive accounts, transferring funds or securities to another firm via ACAT, wires, and sending paper statements/confirmations. These fees will change from time to time and can be found at the following website: www.sofi.com/invest/fee-schedule.

A single, all-inclusive fee for brokerage, custodial, and recordkeeping services may cost more or less than purchasing these services separately. The primary factor affecting the comprehensive fee is the provision by SoFi Wealth of individualized investment advice and portfolio management services tailored to the needs of each individual.

SoFi Wealth does not receive transaction-based compensation for the sale of securities to SoFi Wealth investors. SoFi Wealth's Automated Investing clients are also clients of SoFi Securities and will purchase securities through them which represents a conflict of interest more fully described in Item 9 of this document.

## Item 5 - Account Requirements and Types of Clients

SoFi Wealth's clients are individual investors, including individuals and high net-worth individuals. There is no minimum account size. SoFi Wealth leverages its technology platform in order to allow for smaller client minimums as we rely on our risk and portfolio management systems to develop optimized portfolios for our clients.

SoFi Wealth relies heavily on technology to perform investment management services. SoFi Wealth clients should be aware of the following when utilizing SoFi Wealth's software-based advisory services:

- Clients of SoFi Wealth agree to rely primarily on the SoFi Wealth website for their account information, including, but not limited to, their positions, profits and losses, account value,

account performance, statements, and confirmations. Periodic statements and trade confirmations will be provided electronically to the client by the clearing broker-dealer on the SoFi website, or by mail for a fee;

- Clients of SoFi Wealth agree that their risk profile is created through our profiling system during account opening, and this information is used to map clients to their recommended portfolios. We recommend that clients re-evaluate their risk profile and contact customer service if any of their circumstances have changed in a material way.

- Investments in the SoFi Wealth Wrap Fee Program are limited to ETFs, and SoFi Wealth focuses on ETFs with low expense ratios while still sufficiently tracking their underlying indices. SoFi Wealth has a preference for placing client funds in the Sofi-branded ETFs over other ETFs. Clients investing in the SoFi automated investing portfolios will invest in part in Sofi-branded ETFs, which presents a conflict of interest.

# Item 6 - Portfolio Manager Selection and Evaluation

## Portfolio Management

Portfolio management, investment selection, and ongoing governance will be provided by the Investment Committee. The Investment Committee is responsible for the effective implementation of and adherence to SoFi Wealth's Automated Investing Investment Methodology in a manner that comports with fiduciary duties of care and loyalty and acting in clients' best interests and with other relevant regulatory obligations. This includes developing and implementing SoFi Wealth's portfolio management strategy, reviewing investment performance and adherence to that strategy, and serving as an oversight body over Portfolio Manager(s) and all other investment- and portfolio-management-related activities performed by SoFi Wealth. Decisions put to vote by the Committee will only be accepted by unanimous approval of those members participating in that decision, subject to the quorum requirement.

## Advisory Business

Our Investment Committee, consisting of senior SoFi Technologies, Inc. leaders from various business units, including Invest, Corporate Development, and Investment Strategy, as well as an external, independent member (the "Investment Committee"), drives our portfolio allocation decisions using a combination of backward-looking investment metrics and forward-looking estimates. We also document whether we believe our bias is adding value to the portfolios relative to the static benchmarks for each strategy. We believe this approach will deliver better returns over the long run than holding the same allocation mix with no adjustments for changing economic conditions.

The recommendation of a given investment strategy is heavily dependent on the information provided to SoFi Wealth during the risk profile component of the account opening. Clients are reminded annually to call customer service if that information changes in a material way, to discuss how to update that information. If inaccurate information is provided or if a client fails to respond to update requests, the quality and reliability of advice could be materially impacted.

SoFi Wealth recommends investment strategies based on risk assumptions that are determined by a client's answers to questions about investment goals, time horizon and risk tolerance, and does not

consider assets or objectives outside of the stated goal. The algorithm utilized does not take into account all market factors, your specific tax situation, political risk, or currency risk. The limitations of such an algorithm should be considered in the evaluation of services provided by the Firm. Once an investor has confirmed an investment strategy, they open an account, fund it electronically, and SoFi Wealth implements their plan by investing in the strategy. To the extent that an automated investing account is funded with a client's existing securities, those holdings will be sold without assessing suitability given the client's financial situation. SoFi Wealth does not recommend selling a client's existing holdings to enroll, nor do we provide tax advice. You must consider that liquidating assets may result in tax consequences that should be discussed with your tax advisor.

Portfolios are automatically rebalanced when asset class weightings drift outside of tolerance ranges. This rebalancing could result in capital gains for some clients. The Investment Committee may alter the mix of a given investment strategy from time to time, either by altering the percentages of existing ETFs or replacing one or more ETFs in the portfolio. SoFi Wealth clients investing in SoFi Wealth's automated investing portfolios will invest in part in Sofi-branded ETFs, which provide the broad asset allocation determined by these strategies. Using Sofi-branded ETFs in SoFi Wealth's automated investing portfolios allows those ETFs to be commercially viable and more attractive in the market without SoFi Wealth having to invest its or its affiliates own capital in those ETFs. SoFi Wealth clients should be aware that similar products offer better performance and/or longer track records than Sofi-branded ETFs.

SoFi Wealth and its affiliates have conflicts of interests related to the Sofi-branded ETFs, including the following: first, the investment advisor for the Sofi-branded ETFs has agreed to waive management fees for the Sofi-branded ETFs used in Automated Investing (SFY and SFYX) until at least June 30, 2024. At the time the fee waivers end, SoFi Wealth will earn revenue from the Sofi-branded ETFs based on the investments made by SoFi Wealth clients. SoFi Wealth has the potential to earn revenue from the selection of ETFs for which SoFi Wealth is the sponsor if the underlying funds generate revenue. Second, SoFi Wealth receives a marketing benefit of increased brand awareness and marketing reach from the Sofi-branded ETFs. Third, SoFi Wealth has a conflict of interest when allocating client accounts between Sofi-branded ETFs, for which it has a preference, and third-party ETFs, which may offer better performance and/or lower fees.

The rebalancing algorithms described above and/or a neutral allocation to cash might rebalance client accounts without regard to market conditions and on a high frequency basis, as cash contributed to the account will result in rebalancing. Rebalancing in taxable account types will result in taxable events.

## Performance-Based Fees

SoFi Wealth does not receive any performance-based compensation.

## Methods of Analysis, Investment Strategies and Risk of Loss

SoFi Wealth uses a Goals, Risk and Objectives Exercise and an asset-class based strategic asset allocation to create a plan for each client to reach their financial goals. We begin by gathering information about the client. Next, we ask for information about the client's goals, the time period over which the client intends to reach those goals, and the client's appetite for risk. We then use algorithmic asset allocation to implement a recommended investment strategy that can help them reach those goals. Clients may accept our recommended investment strategy or select a different one.

SoFi Wealth investment strategies typically contain 4-12 ETF securities, some of which are SoFi-branded, which track indices and will allow us to create diversified portfolios for our clients. These strategies attempt to offer favorable expected returns given the risk tolerance, time horizon, and objectives of each strategy. Note that past performance is no indication of future returns. SoFi Wealth will adjust portfolios periodically to reflect our analysis of world market conditions. This could result in periods of time where the portfolios are completely in cash or cash equivalents.

There are many ways to build a portfolio of stocks and bonds. Most approaches fall into one of two categories: passive or active. Passive investing picks a benchmark index and mirrors it. An ETF tracking the S&P 500 Index is an example. Active involves making decisions that differ from the benchmark index. A mutual fund benchmarked to the MSCI World Index that picks what it thinks are the best stocks from anywhere in the world, or one that might overweight Europe at the expense of Japan, are examples of active investing.

oFi Wealth employs the active management of passive assets. We actively curate a portfolio of passively managed index ETFs. Portfolios are generally composed of broadly diversified ETFs that invest in global stocks and bonds, but SoFi Wealth is not limited to these types of investments.

## Investment Strategies

- **Aggressive** – Investors with an aggressive risk profile focus on maximizing returns, believing that getting the greatest long-term return is more important than limiting short-term market fluctuations. They should expect large movements, both up and down, in the value of their portfolio. This strategy has the greatest potential to generate gains over time, but it also comes with the most risk and there will be periods where portfolio losses occur, and those losses may be significant. The proportion of stocks in the portfolio may reach 100%.

- **Moderately Aggressive** – Investors with a moderately aggressive risk profile focus on maximizing returns but want a small portion of their portfolio invested in bonds to limit the full effects of stock market movements. However, they should still expect large movements, both up and down, in the value of their portfolio given the large allocation to stocks. Stocks will compose 70-90% of the portfolio, with the remainder invested in bonds.

- **Moderate** – Investors with a moderate risk profile balance potential risk with potential reward. They are not seeking the highest return possible and will accept lower returns to reduce large fluctuations in the value of their portfolio. With an allocation of 50-70% in stocks, this portfolio is not immune to stock market drawdowns and still comes with considerable risk of losing money. However, a 30-50% allocation to bonds should prevent the investor from suffering the full effects of a stock market sell-off.

- **Moderately Conservative** – Investors with a moderately conservative risk profile focus more on reducing risk than on portfolio gains, although they are usually comfortable with some degree of market fluctuation and wish to have a portion of their portfolio invested in the stock market to increase expected future returns. Stocks still comprise 20-40% of this portfolio, so there will be periods where the portfolio suffers a loss of value. An allocation of 60-80% to bonds should limit the effects of a stock market sell-off but will not entirely.

- **Conservative** – Investors with a conservative risk profile wish to avoid large drawdowns that can typically arise from investing in the stock market. These investors are more concerned with limiting their downside risk and, to achieve that goal, are comfortable not achieving the potentially higher returns of the stock market. They are focused on generating consistent returns over time and avoiding large losses. The proportion of bonds in the portfolio may reach 100%.

The asset allocations in these target portfolios and the specific securities used to implement them will change from time to time. SoFi Wealth maintains allocations within qualified accounts that are distinct from non-qualified accounts to account for the tax treatment of such assets. Expected Returns are decomposed into dividend/interest and capital gains. Assumed tax rates, which are applied on an asset specific basis, are applied to each portion in order to get to an approximate after-tax return. Taxable account strategies are optimized using these after-tax returns. SoFi Wealth's tax assumptions are designed to be generally applicable but may not necessarily be appropriate for each individual's circumstances. Nontaxable accounts, however, are optimized under the pretax return and thus result in a different asset allocation than a taxable account of the same risk.

The performance benchmark for our investment strategies is a blended benchmark of the MSCI All Country World Index (ACWI) and the Bloomberg Barclays US Aggregate Index, blended to meet the approximate expected stock and bond exposure levels of each investment strategy, though these exposure levels may not exactly equal that of the blended benchmark.

## Risk of Loss

**Investing in securities involves risk of loss that clients should be prepared to bear.**

The SoFi Wealth investment program entails risk, including the risk of a total loss of principal. There can be no assurance that the investment objective of the portfolios will be achieved or that investors will not incur losses. When investing in securities, clients are subject to numerous risks including those that arise as a result of changes in general economic and market conditions, such as interest rates, availability of credit, inflation rates, and economic uncertainty. While the use of diversified investment vehicles, such as exchange traded funds (ETFs), mitigates risk compared to investing in individual securities, it cannot completely eliminate this risk.

These ETFs invest in individual stocks and bonds that are subject to the risks that include industry conditions, laws, governmental regulation, competition, technological developments, and national and international political circumstances. It is possible that these portfolios will lose money. The shorter the holding period one considers, the greater the probability of a loss over that given holding period.

Described below are some of the risks associated with investing, and the types of investments that SoFi Wealth uses to manage client portfolios. This list is not exhaustive and other risks may apply that are not described below.

## Types of Investments and Risks

- Exchange-Traded Funds (ETFs): ETFs are typically investment companies that are legally classified as open end mutual funds or Unit Investment Trusts (UITs). However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a

securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value, This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as investment companies under the Investment Company Act of 1940, such as traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as investment companies. ETFs may be closed and liquidated at the discretion of the issuing company.

- Market Risk: This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- Credit Risk: This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- Legislative Risk: This is the risk that regulations or legislation implemented by the government could significantly alter the business prospects of one or more companies.
- Emerging Markets Risk: This is the risk that emerging markets may have unstable, even volatile, governments. Political unrest can cause serious consequences to the economy and investors. These markets often suffer from insufficient labor and raw materials, high inflation or deflation, unregulated markets and unsound monetary policies.
- Interest Rate Risk: This is the risk that fixed income securities will decline in value because of an increase in interest rates (a bond or fixed income fund with a longer duration will be more sensitive to changes in interest rates than those with shorter durations).
- Investment Company Risk: This is the risk that, when a client account is invested in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- Risk of Full Account Liquidations: Upon proper notification to liquidate your holdings in any advisory program, we will in an orderly and efficient manner proceed with the liquidation request. This is the risk that you must consider that liquidating assets may result in tax consequences that should be discussed with your tax advisor. We are under no obligation to affect any transaction for you that we believe to be improper under applicable law, rule or regulation.

  SoFi Wealth makes no guarantee of an investor's internet provider to access the website or mobile carrier access to the SoFi mobile application. Further, as SoFi Wealth delivers its services entirely through its online platform there is a risk that the software may not perform as designed.

### Voting Client Securities

SoFi Wealth does not have the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Proxies will be forwarded directly to clients' mailing addresses by Apex Clearing.

Likewise, SoFi Wealth does not advise or act for you in any legal proceedings, including class actions or bankruptcies, involving securities purchased for or held in your account. If you have any questions you may contact the Firm at: (855) 525-7634.

## Item 7 – Client Information Provided to Portfolio Managers

SoFi Wealth's Investment Committee manages the Automated Investing Portfolios directly, and does not share client information with any third-party portfolio managers. We gather information on the client's goals, time frame for achieving those goals, and level of risk they are willing to accept. The algorithm uses the information provided by the client to determine the best portfolio match. Clients may call customer service at (855) 525-7634 to update their information, and for assistance in determining whether an updated portfolio recommendation is warranted.

## Item 8 – Client Contact with Portfolio Managers

Clients generally do not consult directly with the Investment Committee responsible for managing the Automated Investing Portfolios, but clients have access to their account information and documents by logging in to our website or mobile application. Clients may also call customer service at (855) 525-7634 and speak with an investment specialist who can provide additional information and assistance with their portfolio.

## Item 9 – Additional Information

### Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events. This advisor has an event to disclose, the details of which are below.

Following SoFi Wealth's April 12, 2019 transition of certain client funds from third-party ETFs to SoFi-sponsored ETFs, the SEC Staff requested documents and information from SoFi Wealth, investigating and seeking disclosures by SoFi Wealth to clients regarding the transition of funds. SoFi Wealth fully cooperated with the SEC's investigation and elected to make an offer of settlement to the SEC, and based on information that SoFi Wealth provided, the SEC issued an Order Instituting Administrative Cease-and-Desist Proceedings against SoFi Wealth on August 19, 2021 (the "Order"). The SEC alleged that SoFi Wealth failed to provide its clients with full and fair disclosure of its conflicts of interest relating to the transition, including that it (1) had a preference for placing clients into SoFi-sponsored ETFs rather than third-party ETFs, and SoFi's economic interest in these SoFi-sponsored presented a conflict of interest for SoFi Wealth, (2) was investing client assets in these SoFi-sponsored ETFs to help market the SoFi brand as having a broader array of services and products than previously offered, and (3) intended to use client assets to capitalize the new SoFi-sponsored ETFs, making the ETFs more liquid and favorable to the market. The SEC alleged that SoFi Wealth violated

Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder. The SEC, among other things, censured SoFi Wealth and ordered SoFi Wealth to cease-and-desist from any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder, and pay a $300,000 civil penalty. SoFi Wealth consents to the Order without admitting or denying the SEC's findings (except as to jurisdiction and the subject matter of the action, which was admitted). Prior to the entry of the Order, SoFi Wealth implemented additional remedial measures to address potential conflicts of interests and how they are evaluated. Moreover, prior to the entry of the Order, SoFi Wealth reimbursed clients in the SoFi Invest automated investment program for tax liabilities they potentially incurred as a result of gains realized on the April 12, 2019 sale of the third-party ETFs to buy SoFi-sponsored ETFs. The SEC's Order can be found at https://www.sec.gov/litigation/admin/2021/ia-5826.pdf.

## Other Financial Industry Activities and Affiliations

### SoFi Hold Co.

SoFi Wealth is owned by SoFi Hold Co., a holding company with no direct operations. SoFi Hold Co. is a direct, wholly owned subsidiary of SoFi Technologies, Inc. and under common ownership with SoFi.

### Social Finance, LLC

SoFi Wealth is under common ownership with SoFi. SoFi was formed with the intention of being a new kind of finance company. It is our goal to take a radical approach to lending and wealth management. We strive to develop innovative products and tools for faster service and open conversations. Whether our members are looking to buy a home, save money on student loans, or invest in their future, SoFi seeks to provide useful tools, products, and services.

Social Finance is the sponsor of an ETF fund family (currently consisting of nine funds which have been filed with the SEC) in partnership with Toroso Investments, LLC ("ETF Advisor") and Tidal ETF services, and has a direct economic interest in these funds.

The ETF Advisor serves as investment adviser to the funds and has overall responsibility for the general management and administration of the funds. The ETF Advisor also arranges for sub-advisory, transfer agency, custody, fund administration, and all other related services necessary for the funds to operate. The ETF Advisor has entered into an Agreement with Social Finance, under which SoFi pays many expenses of the funds. Although SoFi has agreed to be responsible for expenses, the ETF Advisor retains the ultimate obligation to the funds to pay such expenses. SoFi will also provide marketing support for the funds, including hosting the funds website and preparing marketing materials related to the funds. For these services and payments, SoFi is entitled to a fee based on the total management fee earned by the ETF Advisor under the Advisory Agreement less certain expenses and start-up costs. SoFi does not make investment decisions, provide investment advice, or otherwise act in the capacity of an investment adviser to the funds.

SoFi Wealth uses, suggests and recommends its own services and products in addition to the services and products of affiliated entities in connection with the SoFi Wealth advisory business. The particular services and products recommended will be dependent upon the particular client and their stated objectives. The arrangements described below can involve compensation arrangements which may take the form of commissions, service fees or other equivalents. SoFi Wealth clients are not entitled to any compensation received by SoFi Wealth affiliates.

## Affiliations

SoFi Technologies, Inc. owns or holds investments in multiple operating companies in addition to SoFi Wealth that offer financial services. Firms affiliated with SoFi Wealth include: SoFi Securities LLC, a registered broker-dealer, SoFi Bank, N.A., a national bank, SoFi Capital Advisors, LLC, an exempt reporting investment adviser, SoFi Digital Assets, LLC, a licensed money transmitter, SoFi Lending Corp., a non-bank consumer lending company, SoFi Credit Corp. LLC, Social Finance Life Insurance Agency, LLC, and SoFi Securities (Hong Kong) Limited, and a service called SoFi at Work, offered through SoFi.

SoFi Wealth delivers to its clients information about and advertisements for products and services offered by its affiliates, as described in detail below. In addition, SoFi Wealth can offer customers access to specific products from marketing arrangements that its affiliates maintain and, as such, SoFi Wealth's affiliates are compensated when customers make purchases, which is a conflict of interest since it could result in increased compensation to our Firm.

Several of the affiliated companies have activities that create interests for SoFi Wealth that conflict with a client's interests. Please note that SoFi Wealth has established a number of policies and procedures that are designed to identify and address potential conflicts of interest between affiliates.

### SoFi Securities LLC

SoFi Wealth is under common ownership with SoFi Securities, a full-service introducing broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA") and Securities Investor Protection Corporation ("SIPC"). SoFi Wealth and SoFi Securities share office space, personnel, and resources. Many of the SoFi Wealth advisory personnel are also registered representatives with SoFi Securities. SoFi Securities also provides no commission brokerage services to customers under the SoFi Invest umbrella, called "Active Investing". SoFi Wealth clients are marketed this service and may choose to participate; however, it would be under a separate, direct agreement with SoFi Securities and in a separate SoFi Securities account. SoFi Securities also engages in underwriting activity. Underwritten securities are not recommended to Automated Investing portfolios.

SoFi Wealth clients who purchase securities through the SoFi Wealth platform are required to utilize the brokerage services of SoFi Securities to effect securities transactions for clients. Apex Clearing provides trade execution and clearing services to SoFi Securities, and acts as the qualified custodian for SoFi Wealth clients' holdings. SoFi Securities LLC receives fees and other benefits from their role as introducing broker-dealer, including payment for order flow, securities lending, and by earning interest on uninvested cash in brokerage accounts which creates a conflict of interest between the firm and the client. All SoFi Wealth accounts are automatically enrolled into the Securities Lending Program through Apex Clearing Corporation. Members are able to opt out of the program by contacting SoFi Wealth at (855) 525-7634. Clients participating in the Securities Lending Program may earn revenue sharing payments from SoFi Securities and Apex. Such payments may be taxed at a higher rate than a dividend payout. When shares are on loan, they are not SIPC insured, and proxy voting rights over those particular securities belong to the borrower. Share lending does not affect a client's ability to sell the securities.

Regarding order flow rebates, third parties execute transactions and they pay rebates to SoFi Securities for the opportunity to execute these transactions. However, all parties still have an obligation to execute all customer orders in the most advantageous way for the client. We are also limited in investment selection; we can only invest your account in securities which are available on Apex's platform. This causes a conflict of interest, as there may be securities better suited to your financial situation and objectives available elsewhere that are not available on Apex's platform. Other non-affiliated providers may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

## SoFi Bank, N.A.

In January 2022, the Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System approved the applications of SoFi Technologies, Inc. to become a Bank Holding Company through its acquisition of Golden Pacific Bancorp, Inc. (OTCPK: GPBI) and to operate its wholly-owned subsidiary, Golden Pacific Bank, National Association, as SoFi Bank, National Association ("SoFi Bank"), which was completed in February 2022. With this transaction, SoFi Bank is now an affiliate of SoFi Wealth. SoFi Bank offers customers deposit banking accounts and loans and earns revenue when customers select such products. Other non-affiliated providers may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

## SoFi Capital Advisors, LLC

SoFi Capital Advisors, LLC ("SCA") is an SEC-registered investment adviser that sponsors certain private investment funds (the "Funds") SCA acts as the investment adviser and general partner of the Funds. The Funds issue limited partnership interests in a single class or in multiple classes and series within each class to persons or entities that are treated as U.S. persons for U.S. federal income tax purposes (other than U.S. persons generally exempt from taxation in the United States).

## Social Digital Assets, LLC

SoFi Digital Assets, LLC sits under the umbrella of SoFi Invest. SoFi Wealth will not offer investment advice or recommendations with respect to cryptocurrencies.

## SoFi Lending Corp.

SoFi Lending Corp. ("SLC") is an affiliate of SoFi Wealth. Through the SoFi website, SLC provides customers information about products and services offered by other companies, such as automobile lenders and lenders making business-purpose loans. SLC enables customers to connect with such other lenders to pursue loan inquiries. SLC receives compensation from such third-party lenders for promoting their products and services. SLC's services are also promoted using the brand "Lantern." You are not required to use any SoFi Lending Corp. products or services to obtain SoFi Wealth services. However, from time to time, SoFi Wealth may present you with a product offered by SoFi Lending Corp. which creates a conflict of interest since our Firm, SoFi, and/or other affiliates described herein would receive increased compensation when a customer (you) obtains a product or service through SoFi Lending Corp. Other non-affiliated providers may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

## SoFi Credit Corp. LLC

SoFi Credit Corp. LLC is an affiliate of SoFi Wealth. SoFi Credit Cards are issued by SoFi Bank, N.A. pursuant to license by Mastercard® International Incorporated and can be used everywhere Mastercard is accepted. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.You are not required to use any SoFi Credit products or services to obtain SoFi Wealth services. However, from time to time, SoFi Wealth may recommend that you use a product offered by SoFi Credit which creates a conflict of interest since using the proposed credit services result in increased compensation to our Firm, SoFi, and/or other affiliates described herein. Other non-affiliated providers may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

## Social Finance Life Insurance Agency LLC

Social Finance Life Insurance Agency LLC ("SoFi Agency") is an affiliate of SoFi Wealth. SoFi Agency offers insurance products to customers. SoFi Agency receives compensation from insurers and issuers of insurance policies when customers purchase insurance products. You are not required to use any SoFi Agency products or services to obtain SoFi Wealth services. However, from time to time, SoFi Wealth may recommend that you use a product offered by SoFi Agency which creates a conflict of interest since using the proposed insurance services result in increased compensation to our Firm, SoFi, and/or other affiliates described herein. Other non-affiliated providers may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

## SoFi Securities (Hong Kong) Limited

SoFi Wealth has entered into an agreement to act as a Service Provider to SoFi Securities (Hong Kong) Limited ("SoFi Securities (Hong Kong)"). SoFi Wealth provides advice on three to five model portfolios based on SoFi Securities (Hong Kong)'s portfolio risk requirements, written advice on a set of ETF Model portfolios, suggests specific allocation percentages to funds in order to meet the target asset allocation, and provides well-diversified recommendations. In addition, SoFi Wealth provides advice on the rebalancing of the portfolios on at least a quarterly basis and prepares quarterly gross-of-fee portfolio performance reports, back-testing results and back-testing performance reports. SoFi Securities (Hong Kong) is responsible for final review and approval of all model portfolios, and is solely responsible for any advice given to its end clients. A conflict of interest exists based on the fact that the individuals responsible for providing services to SoFi Securities (Hong Kong) also provide similar services for SoFi Wealth. Other non-affiliated providers may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

## SoFi at Work

SoFi at Work is a program offered by SoFi (an affiliate of SoFi Wealth) which helps employers offer financial well-being benefits to their employees, such as student debt repayment benefits, retirement planning, and savings tools. SoFi receives monthly fees from employers when a user opts to automatically deduct money from their paycheck to contribute to a 529 Plan. SoFi Wealth offers users SoFDigital Advice tools, including tools to estimate college expenses and select 529 Plans. When SoFi Wealth provides advice to its clients, a conflict of interest exists for SoFi Wealth because SoFi Wealth's affiliate earns income when users choose to participate in SoFi at Work and make contributions through their employer. Other non-affiliated providers

may be available that, among other things, charge lower fees, or offer more competitive interest rates or differentiated features.

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

SoFi Wealth has adopted a Code of Ethics expressing its commitment to ethical conduct to comply with applicable securities laws including those relating to employees' personal trading, insider trading, and restrictions/reporting requirements around giving and receiving gifts and entertainment. SoFi Wealth's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth SoFi Wealth's practice of supervising the personal securities transactions of employees. Individuals associated with SoFi Wealth may buy or sell securities for their personal accounts identical to or different from those recommended to clients of the advisor.

Associated persons may buy or sell specific securities for their own accounts that are not purchased or sold for clients. SoFi Wealth monitors the securities transactions of all associated persons and investigates any unusual patterns that it detects. Neither SoFi Wealth nor any of its associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure. Note that associated persons do not receive incentive compensation, bonuses or commissions for assets under management, product sale commissions or the recommendation or sale of any products.

To avoid a conflict of interest between SoFi Wealth and its clients, SoFi Wealth prohibits principal securities transactions between SoFi Wealth and any advisory client without first obtaining the prior written approval of the Enterprise Chief Compliance Officer and the written consent of the client. SoFi Wealth will also not cross trades between client accounts. SoFi Wealth will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Affiliates of the Investment Adviser often provide other services to investors and in these scenarios, will receive fees from the investors in such capacities. Other present and future activities of the SoFi Wealth and other affiliates of SoFi Wealth give rise to additional conflicts of interest. Notwithstanding such conflicts, SoFi Wealth understands that it is a fiduciary to the investors and is committed to implement the obligations stated in its Code of Ethics.

SoFi Wealth's clients or prospective clients may obtain a copy of the firm's Code of Ethics by contacting a SoFi Wealth agent at 855-456-7634, or by utilizing the chat feature on the SoFi mobile application or website.

## Review of Accounts

Portfolios are monitored regularly using software that tracks portfolio drift from neutral allocations and cash holdings. Drift is managed as a percentage deviation above and below the neutral allocation, known as tolerance band. When a tolerance band is breached or cash exceeds a maximum threshold, the portfolio is rebalanced to neutral. Investment Committee personnel oversee algorithms and respond to identified exceptions, but each client's account will not be regularly reviewed by such personnel. SoFi Wealth provides quarterly statements on client accounts that show account balances, account activity and profits (losses) of the accounts. These statements are delivered electronically and are made

available through the SoFi Wealth website. Statements may be mailed to clients, at their request, for an additional fee.

SoFi Wealth electronically reviews each client's account when it is opened, and continuously monitors and periodically rebalances each client's portfolio to seek to maintain a client's chosen portfolio allocation. Past performance is no indication of future returns. When material changes occur to a client's financial situation or investment objectives, the client may call and speak with a licensed financial professional to help decide whether to re-allocate to a different portfolio, or may establish a new Automated Investing account and provide the requested financial information to obtain an updated portfolio recommendation from the algorithm.

On a not less than annual basis, SoFi Wealth contacts each client to remind them to call us with updates to their financial situation. Portfolio management, investment selection, and ongoing governance will be provided by the Investment Committee. The Investment Committee is responsible for the effective implementation of and adherence to SoFi Wealth's Automated Investing Investment Methodology in a manner that comports with fiduciary duties of care and loyalty and acting in clients' best interests and with other relevant regulatory obligations. This includes developing and implementing SoFi Wealth's portfolio management strategy, reviewing investment performance and adherence to that strategy, and serving as an oversight body over Portfolio Manager(s) and all other investment- and portfolio-management-related activities performed by SoFi Wealth. Decisions put to vote by the Committee will only be accepted by unanimous approval of those members participating in that decision, subject to the quorum requirement.

## Client Referrals and Other Compensation

SoFi Wealth advertises to attract Clients to establish advisory relationships and maintains agreements with other companies to promote SoFi Wealth to prospective and potential clients. SoFi Wealth maintains marketing services agreements with various companies to promote SoFi Wealth to their customers or website users. SoFi Wealth promotions may appear on social media and other websites, sites that host articles about investment products and services (including products and services of SoFi Wealth corporate affiliates disclosed earlier in this section), and other firms with customers or users SoFi Wealth believes might be interested in our services. SoFi Wealth promotions include links to SoFi Wealth.

Promotions offered by such companies may include SoFi offering prospective clients benefits such as reduced advisory fees, additional advisory services, or branded promotional items of nominal value (shirts, hats, etc.) for becoming clients.

### Promoters

SoFi Wealth pays marketing services fees to companies that promote SoFi Wealth, which creates a conflict of interest for those companies. The fee is often paid based upon the number of customers who reach SoFi Wealth through the marketing services and register to become SoFi Wealth clients. SoFi Wealth affiliates also pay marketing services fees on a per impression basis. In some cases, SoFi Wealth's fee will be paid only if the client opens an account with a certain minimum initial investment stated in the promoter's agreement. The compensation paid by SoFi Wealth is for the solicitation services provided by the promoter and for referring the potential client to SoFi Wealth. These solicitation services include making introductions and providing information and materials about the advisory services of SoFi Wealth. In no event will such endorsements provide investment advisory services. The

compensation paid by SoFi Wealth will not increase the client's fee for advisory services or be passed through to the referred client in any way as a result of a promoter's involvement in the introduction.

Compensation is paid and appropriate disclosures are made in compliance with the SEC Marketing Rule 206(4)-1 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

## Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about SoFi Wealth's financial condition. SoFi Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. SoFi Wealth does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year.

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