# Customer Relationship Summary - Combined V1.6

**Form CRS - SoFi Securities LLC**
**Form ADV Part 3 - SoFi Wealth LLC**

September 13, 2021

This form serves to explain the relationship between, services offered, fees charged, and conflicts of interest for the services for two firms:

1. **SoFi Securities LLC** (**SoFi Securities**) a registered broker-dealer with the Securities and Exchange Commission (SEC), and a Member of the Financial Industry Regulatory Authority, Inc. (FINRA) and Securities Investor Protection Corporation (SIPC), and

2. **SoFi Wealth LLC** (**SoFi Wealth**), an investment adviser registered with the SEC.

Both **SoFi Securities** and **SoFi Wealth** are wholly-owned subsidiaries of **Social Finance, Inc.** (we commonly call this **"The Parent"** or **"SoFi"**. **Social Finance, Inc.** is a wholly-owned subsidiary of **SoFi Technologies, Inc.**). **SoFi Technologies** is a publicly traded company under the ticker $SoFi on the NASDAQ.

This will also cover the relationship of **SoFi Securities and SoFi Wealth** to each other, the **parent entity** (**Social Finance, Inc.**), and the **clearing brokerage** (**Apex Clearing Corp**).

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

**SoFi Securities** offers brokerage services through self-directed brokerage accounts to retail investors. These services include buying and selling securities, including the facilitation of trading fractional shares (we call them **Stock Bits**) of securities under the brand of **Active Investing**, and a cash management account which we have branded **SoFi Money**. We also offer the opportunity to participate in Initial Public Offerings through our **IPO Investing Center.** We do not currently make securities recommendations and do not monitor accounts for our customers. **Stock Bits** are traded during a trade window once during a market day. This means we hold your order until the window is open and then execute. This means the price your order is executed at ***will most likely vary*** from when you entered it. There are no account minimums to open or maintain an account.

**SoFi Wealth** offers financial planning services, automated tools, and managed accounts ("**Automated Investing"**). Financial planning services include access to financial planners via phone, and email.

**SoFi Wealth** does not primarily recommend one type of security to clients. Instead, we will recommend an investment portfolio. The portfolio selection is automated by an algorithm ***with no human review***. The algorithm selects a portfolio based upon your answers to a series of questions designed to identify common time horizon based scenarios. The questions we ask are ***limited in scope and do not account for all financial circumstances or relevant considerations***. If you have special circumstances you should review your complete portfolio with a financial advisor. The algorithm utilized does not take into account all market factors, your specific tax situation, political risk, or currency risk. **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 (or agent for custody) in effecting securities transactions for Clients' Accounts in which Apex Clearing provides trade execution and clearing services. Using an affiliated broker presents a conflict of interest, as it can result in additional compensation for the firm and/or the Parent. We are also limited in investment selection; we can only invest your account in securities which are available on Apex's platform. When providing services, ***we recommend and use proprietary products***, like **SoFi's ETFs**, which presents a conflict of interest.

**SoFi Wealth** ***does periodically monitor*** the investments in the managed accounts and ***will change the makeup of portfolio construction***, or "re-balance" as needed. Services are provided on a ***discretionary basis***, meaning we have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. For more information about our investment authority, see **Item 16** of **Form ADV Part 2A**. There are no account minimums for the managed portfolios. To learn more about our advisory services, please review **Item 4** of our **Form ADV Part 2A**.

***Note:*** *You will see several* ***Conversation Starters*** *throughout this form. If you would like more information you can use these questions to engage our representatives in a conversation.*

**Conversation Starters**:

- *"Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?"*
- *"How will you choose investments to recommend to me?"*
- *"What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?"*

## What fees will I pay?

### SoFi Securities - Active Investing

**SoFi Securities** ***will charge certain fees*** for actions in your account. You may view our current fee disclosure. Here is an overview that includes (but not limited to) the fees you will be charged:

- **Wire transfers out: $25**
- **ACAT transfers to another firm: $75**
- **Returned ACH / Insufficient funds: $15**
- **Paper confirm fee: $2 /** confirm
- **IRA Closing Fee: $20**
- **Paper statement fee: $5** / statement
- **Voluntary corporate action: $50**
- **Selling shares acquired in an IPO within 120 days: $50** first trade, **$5** subsequent trades until 120 days has passed

Please keep in mind, you may be required to cover transaction fees from the exchanges themselves or regulators. If you invest in Exchange Traded Funds (ETFs) you may be charged other fees by the fund companies themselves. You should carefully review the fund's prospectus before investing. The prospectus will cover fees, expenses, objectives, and risks of the fund.

**SoFi Securities** does not charge commissions on trades. We earn revenue from rebates on order flow, securities lending, and by earning interest on uninvested cash in brokerage accounts. For the order flow rebates, we use ***third parties to 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 (called ***Best Execution***). Securities lending means the securities in your account can be lent to **Apex Clearing**. This does not affect your ability to sell your securities. Please visit How it Works: How SoFi Makes Money for more information on how we earn revenue. Under circumstances where shares are lent, dividends paid on shares lent to Apex Clearing will be credited as a cash deposit in lieu of the dividend, which has different tax treatment. It is important that you talk to your tax advisor about your investment decisions and strategy - neither SoFi Securities nor SoFi Wealth provides tax advice.

### SoFi Securities - SoFi Money

**SoFi Securities** has arranged through Allpoint to provide you with ATM access at any of the 55,000+ ATMs within the Allpoint network. You will not be charged a fee by **SoFi** when using an in-network ATM, however, you may be charged a fee by others, and such third party fees incurred when using out-of-network ATMs are ***not subject to reimbursement***. SoFi's ATM policies are subject to change at our discretion at any time.

If your **SoFi Money Debit Card** purchase or ATM withdrawal is in a foreign currency, the amount will be converted to US dollars by Mastercard based on their exchange rate at the time of settlement. A 0.9% foreign convenience fee is charged, which SoFi pays rather than passing the cost on to you. There is also a 0.2% foreign conversion fee, which is calculated and added into your actual transaction and ***we do not reimburse***.

**SIPC Protection:** Cash balances in a **SoFi Money Account** that are not held for the purpose of investing and/or incidental to an investment may not be covered by SIPC insurance. **SoFi Securities** does not make any assurance that balances are insured.

**SoFi Securities** earns interest on customer deposits that are brokered to partner banks.

### SoFi Wealth - Financial Planning

**SoFi Wealth** does not currently charge any advisory fees for the advice provided by financial planners. The financial

advice our Financial Planners give you must be in your best interest even when we recommend certain products from our affiliates.

The Financial Planners of **SoFi Wealth** can recommend actions, such as applying for a loan or opening a cash management account, ***that are generally in the interest*** of the **parent company and affiliates**. **SoFi Wealth** can recommend specific products from marketing partnerships (i.e. Insurance, Auto Loans, etc.) that the **parent company** has and the **parent company** is compensated for these referrals, which is a conflict of interest. SoFi Wealth sets forth in its Planning Agreement that the planning service does not include any tax or legal advice.

**SoFi Wealth - Automated Investing**

**SoFi Wealth** does not currently charge advisory or management fees for its managed portfolios. However, you will incur underlying fees and expenses by the ETFs in the portfolio.

**The Parent**, **Social Finance, Inc.** sponsors several **Exchange Traded Funds (ETFs)** that the managed portfolios of **SoFi Wealth** invests in. SoFi clients investing in SoFi's automated investing portfolios will invest in part in SoFi-sponsored ETFs, which provide the broad asset allocation determined by these strategies. ETFs for which SoFi is the sponsor currently are less liquid and have a shorter track record than some alternative ETFs not sponsored by SoFi. Using SoFi-sponsored ETFs in SoFi Wealth's automated investing portfolios allows those ETFs to be commercially viable without SoFi having to invest its own capital in those ETFs. SoFi has conflicts of interests related to the SoFi-sponsored ETFs, including, but not limited to the following conflicts of interest: First, while the investment advisor for the SoFi-sponsored ETFs has agreed to waive management fees for the SoFi ETFs used in Automated Investing (SFY and SFYX) until at least June 30, 2022, in the future those fee waivers may end, and if so, SoFi would earn revenue from the SoFi-sponsored ETFs. (Note that this program extends to all ETFs purchasers and is not exclusive to customers of SoFi Wealth.) SoFi has the potential to earn revenue from the selection of ETFs for which SoFi is the sponsor if the underlying funds generate revenue. Second, SoFi receives a marketing benefit of increased brand awareness and marketing reach from the SoFi-sponsored ETFs. Third, SoFi Wealth has a conflict of interest when allocating client accounts between SoFi-sponsored ETFs and third-party ETFs.

You may find more information about the **SoFi ETFs** here: https://www.sofi.com/invest/etfs/

**SoFi Wealth** clients who purchase securities through the **SoFi Wealth** platform are required to utilize the brokerage services of our affiliate, **SoFi Securities**. Using an affiliated broker presents a conflict of interest, as it can result in additional compensation for the firm and/or the Parent. Please refer to the fee information above for specifics regarding the ways SoFi makes money.

**SoFi Wealth - Digital Advice**

**SoFi Wealth** does not currently charge advisory or management fees for use of the automated tools it offers. However, SoFi and its affiliates will earn revenue if you obtain a SoFi product or service when following guidance that the tools provide.

**SoFi Wealth** may offer certain users automated online tools which provide limited financial guidance. Currently, these tools are a student loan repayment tool, a self directed financial health tool, and a College Savings Plan (529) selection tool. The guidance is automated and based upon general financial planning principles, as well as answers to personal finance related questions provided by the user in the self-directed financial health tool. Guidance from the tools could, for example, include actions to implement a plan to invest and SoFi could earn fees if you invest through SoFi.

**Additional Information:** ***You will incur fees and costs whether you make or lose money on your investments***. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see sofi.com/legal.

**Conversation Starter**:

- *"Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?"*

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**Standard of Conduct:** SoFi Securities do not provide recommendations as your broker-dealer. When SoFi Wealth acts as your investment adviser, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services and investment advice we provide you. Here are some examples to help you understand what this means. Please review **Item 10** of the Form ADV Part 2A for a more detailed discussion of the conflicts of interest for **SoFi Wealth.**

**Examples of Ways We Make Money and related Conflicts of Interest:**

The **parent company** of **SoFi Securities LLC**, **Social Finance, Inc.**, owns less than 1% of **Apex Clearing**.

**Proprietary Products: Social Finance, Inc.** sponsors several ETFs which **SoFi Wealth** uses to make a significant portion of investment portfolios.

**Revenue Sharing:** We share revenue with **Apex** for order flow payments.

**Securities Lending: SoFi Securities** lends shares for a fee, this fee is kept by **SoFi Securities** and not passed to customers.

**IPO Offerings:** When **SoFi Securities** acts as either an underwriter or as part of the selling group for an IPO it will typically receive compensation either in the form of an underwriting fee or a selling concession.

Affiliates of **SoFi Securities** and **SoFi Wealth** typically make money from product and service relationships you may choose to engage in. For instance **SoFi Lending** will earn interest if you were to take out a personal loan with them. For specifics please review any disclosure documents from our affiliates before confirming.

**Conversation Starter**:
- *"How might your conflicts of interest affect me, and how will you address them?"*

### How do your financial professionals make money?

The registered representatives of **SoFi Securities** and financial planners of **SoFi Wealth** are salaried employees that receive an annual salary and bonus based on company performance. ***They do not receive*** incentive compensation, bonuses or commissions for assets under management, product sale commissions or the recommendation or sale of any products.

### Do you or your financial professionals have legal or disciplinary history?

Yes. You may visit adviserinfo.sec.gov or brokercheck.finra.org for free and simple search tools to research the financial professionals employed by each firm.

**SoFi Securities (CRD 151717)** does not have any disciplinary history. **SoFi Wealth (CRD 167958) settled a matter with the SEC on April 12, 2021**. The SEC's Order can be found at https://www.sec.gov/litigation/admin/2021/ia-5826.pdf. Additionally, you may visit investor.gov/CRS or brokercheck.finra.org for free and simple search tools to research our firms.

**Conversation Starter**:
- *"As a financial professional, do you have any disciplinary history? For what type of conduct?"*

### Additional Information

You may call our customer service line at (855) 456-7634 to request a copy of the most updated relationship summary. You may also visit our organization's website at www.sofi.com.

**Conversation Starters**:
- *"Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*
- *"Who can I talk to if I have concerns about how this person is treating me?"*