

Cash Sweep Program

Disclosure Statement

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I. Introduction

This document (“Disclosure Statement”) provides important information about Wealthfront Brokerage LLC’s (“Wealthfront Brokerage” or “we” or “us”) Cash Sweep Program (“Cash Sweep Program”), which is offered when you open a Cash Account at Wealthfront Brokerage (the “Cash Account”).

The Cash Sweep Program offers you the ability to automatically “sweep” uninvested cash balances in your Cash Account into either (i) Federal Deposit Insurance Corporation (FDIC) insured interest-bearing account (a “Deposit Account”) at one or more participating banks (each a “Participating Bank”), or (ii) certain money market mutual funds (each a “Participating Fund”) available in the Cash Sweep Program. If you would prefer your cash be swept into Participating Funds, please call client services to discuss your options. Participating in the Cash Sweep Program provides you the opportunity to earn interest or dividends on your cash while they are awaiting investments. The Cash Account is intended as a short-term use of cash and should not be viewed as a long-term investment option.

Except as otherwise noted in this Disclosure Statement, Wealthfront Brokerage may, with 30-days prior notice to you, change, add or delete products available through, or the terms and conditions of, the Cash Sweep Program. Further, we may, upon 30-days prior notice to you, change the Cash Sweep option in which you participate from one option to the other. Your continued use of your Cash Account following such change to the Cash Sweep Program and/or your Cash Sweep option shall constitute your consent to any such change.

II. Cash Sweep Program Options

A. FDIC Insured Deposit Account

Cash contributed to or received in your Cash Account (“Cash Balance”) will automatically be “swept into” an FDIC-insured interest-bearing Deposit Account at one or more Participating Banks, within 1 to 3 business days (not including bank holidays or days on which the New York Stock Exchange is closed, such as Good Friday) after Wealthfront Brokerage receives such cash. The Cash Sweep Program has a network of FDIC-insured Participating Banks to which your Cash Balances can be spread in order to maximize insurance protection. A full list of current Participating Banks (“Participating Bank List”) is available at <https://www.wealthfront.com/cash-account-participant-banks>. Participating Banks may be added to or removed from our Cash Sweep Program without prior notice to you.

Wealthfront Brokerage has established omnibus Deposit Accounts at each of the Participating Banks on behalf of all of its customers who participate in the Cash Sweep Program, and it will maintain records of your beneficial interest in each Deposit Account at each Participating Bank. Wealthfront Brokerage will sweep your Cash Balance into Deposit Accounts at Participating Banks, which will become eligible for FDIC insurance and is referred to as your “Program Deposit.”

You will only have access to your Cash Balance through your Cash Account. You cannot make deposits or withdrawals directly from the Deposit Account at Participating Banks, even if you contact the Participating Bank.

Each such Deposit Account maintained at the Participating Banks is insured by the FDIC within certain applicable limits, as described below. Wealthfront Brokerage will maintain records of your beneficial interest in each Deposit Account at each Participating Banks. All questions regarding the Deposit Accounts, including any notice of unauthorized activity and any complaints regarding the Cash Sweep Program, should be directed to Wealthfront Brokerage and not the Participating Banks.

Once your Cash Account is established, you will have the ability to modify the Participating Bank List with respect to your Cash Account by opting out of one or more of the Participating Banks. Wealthfront Brokerage has the right to limit the amount of your Cash Balance that is swept into a Deposit Account, or to move your Cash Balance to another Participating Bank if Wealthfront Brokerage determines that such action is necessary to protect your funds, or in the event that a Participating Bank is not able or willing to take additional deposits.

Interest Rates

You will earn interest on your Program Deposit, which will be paid by the Participating Banks. The rate of interest varies over time. Current interest rates for Program Deposits can generally be found on [our website](#). Notwithstanding, interest rates may be changed at any time, without prior notice to you, and before the website can be updated. Wealthfront Brokerage cannot guarantee any rate of return, including a return that is equal to or greater than the rate of return provided on the website. Depending on the interest paid by the Participating Banks on any given day, the actual interest rate may be less than the most recently published interest rate on the website. Over any given period, the interest rates on the Program Deposits may be lower than the rate of return on similar non-FDIC insured investments or deposit accounts offered outside the Cash Sweep Program. Interest on your Program Deposits will accrue daily, is compounded monthly, and will be reflected on your Cash Account statement on the first business day of the following month. You will receive a Form 1099-INT from Wealthfront Brokerage indicating the amount of interest paid to you by the Participating Banks.

The interest rate paid to you on your Program Deposit will be determined by Wealthfront Brokerage, and will be based on the amounts paid by the Participating Banks, less a fee paid to Wealthfront Brokerage, as discussed below. Wealthfront Brokerage pays Total Financial Solutions, LLC, dba

Banking Solution (“TBS”) for certain processing, operations and bank network services provided by TBS to the Cash Sweep Program. TBS is not an affiliate of Wealthfront Brokerage and it is not a registered broker-dealer or a bank.

FDIC Insurance Coverage/SIPC Protection

Your Program Deposit, together with any non-Cash Sweep Program deposits you may have at the same Participating Bank, which include savings and checking accounts, money market deposit accounts, and CDs issued directly to you by the Participating Bank, are insured by the FDIC, an independent agency of the U.S. government, up to a standard maximum amount in accordance with the rules of the FDIC. The applicable FDIC insurance limit depends upon the ownership capacity in which you hold the Program Deposit, and the relevant limit will be applied to all deposits (including Program Deposits and non-Cash Sweep Program deposits) held in the same ownership capacity by you at the same Participating Bank.

Deposits held in different ownership capacities, as provided in FDIC rules, are insured separately. Single ownership accounts are insured up to \$250,000, and each co-owner’s share of joint accounts is insured up to \$250,000. See www.fdic.gov for additional account category and coverage information.

For example, if you have both a Program Deposit and non-Cash Sweep Program deposits at the same Participating Bank held in the same right and legal capacity as your Program Deposit, you must aggregate all such deposits with your Program Deposit for purposes of determining FDIC coverage. If your total funds on deposit at a Participating Bank exceed the applicable FDIC insurance limit, the FDIC will not insure your funds in excess of the limit.

Wealthfront Brokerage is not responsible for monitoring the amount of your Program Deposit in any Participating Bank to determine whether it exceeds the limit of available FDIC insurance. You are responsible for monitoring the total amount of your assets on deposit with each Participating Bank (including amounts in other accounts at the Participating Bank held in the same right and legal capacity) in order to determine the extent of deposit insurance coverage available to you on those deposits, including your Program Deposit.

In the event that FDIC insurance payments, payments of principal plus unpaid and accrued interest will be made to you. There is no specific time period in which the FDIC must make insurance payments available, and Wealthfront Brokerage is under no obligation to credit your account with funds in advance of payments received from the FDIC. Furthermore, you may be required to provide certain documentation to the FDIC and to us before insurance payments are made. For example, if you hold deposits as trustee for the benefit of trust participants, you may be required to furnish affidavits and provide indemnities regarding an insurance payment.

Financial Benefits to Wealthfront Brokerage and Others

Wealthfront Brokerage receives a fee from each Participating Bank in connection with the Cash Sweep Program, which may range from 0.00% to 2.00% (on an annualized basis) of the average

aggregate daily Program Deposits on deposit with each Participating Bank. The fee paid to Wealthfront Brokerage may vary from Participating Bank to Participating Bank. In addition, TBS will receive a service fee from Wealthfront Brokerage as compensation for certain services that TBS provides to the Cash Sweep Program, including processing, operations and bank network services. Wealthfront Brokerage may be a customer of a Participating Bank and may have other financial interactions with a Participating Bank.

How the Cash Sweep Program Works

Deposits

The Cash Balance in your Cash Account will be automatically swept within 1 to 3 business days after receipt (not including bank holidays or days on which the New York Stock Exchange is closed, such as Good Friday), into one or more Deposit Accounts established by Wealthfront Brokerage on behalf of you and other customers who participate in the Cash Sweep Program at the Participating Banks.

Your Cash Balance will be swept into one or more Participating Banks in accordance with predetermined factors. Generally, no more than \$250,000 (\$500,000 for joint accounts) will be swept into any one Participating Bank. It is, however, possible that your Program Deposit combined with other deposits you make at a Participating Bank (directly or through an intermediary) could exceed the maximum amount of FDIC insurance available at an individual Participating Bank. We will inform you on each periodic statement, which Participating Bank(s) maintain deposits with respect to your Cash Account, opening and closing balances, interest earned, and the detail of balances held at each Participating Bank. You are responsible for monitoring the total amount and insurable capacity of deposits you have at each Participating Bank (both as a part of and outside the Cash Sweep Program). You may instruct us not to deposit your funds in a particular Participating Bank. Any such instruction will result in any current deposit in that Participating Bank being withdrawn and deposited in another Participating Bank, and no new deposits will be made in the Participating Bank in which you instructed us not to sweep your funds. If the aggregate amount of your Program Deposits exceeds the capacity of Participating Banks to provide FDIC insurance, any excess funds will be swept among the Participating Banks with such excess not covered by FDIC insurance.

Until the sweep occurs, your Cash Balance will remain uninvested Free Credit Balances in your Cash Account. Because Wealthfront Brokerage is a member of the Securities Investor Protection Corporation (“SIPC”), our customers are protected up to applicable SIPC limits if Wealthfront Brokerage were to go out of business and there were customer securities or funds unaccounted for. Current SIPC limits are \$500,000 for securities and cash per customer, of which up to \$250,000 may be in cash (i.e., Free Credit Balances). However, SIPC does not protect against market losses. Further, your Cash Balance is only eligible for FDIC insurance once it becomes a Program Deposit held by a Participating Bank. Your Cash Balance while held by Wealthfront Brokerage at its bank and/or while in transit to or from a Participating Bank is not FDIC-insured but is covered by SIPC. Once your Cash Balance are swept into a Deposit Account, they are held at an FDIC-insured bank and,

accordingly, they are protected by FDIC insurance but are not covered by SIPC. For additional information about SIPC coverage, visit www.sipc.org.

Withdrawals

If funds are needed to cover a debit in your Cash Account at the end of a business day (such as to cover a withdrawal or a security purchase you made in an account), the funds will be automatically swept out of the Deposit Account(s) at Participating Banks back into your Cash Account. Your Program Deposits will be swept out of the Participating Banks in the same order that they are swept in, in accordance with predetermined factors, until either the debit is satisfied or the total amount of your Program Deposits have been swept back into your Cash Account.

For purposes of account security, regulatory compliance and risk-management, funds transferred into your Cash Account may be held by Wealthfront Brokerage for up to sixty (60) days upon such transfer into your Cash Account. Such transferred funds may be held for a longer period if compliance with federal regulations or risk-management procedures would require us to do so. Except in cases of fraud or for funds that are returned to the originating bank as a result of insufficient funds, your transferred funds will be entitled to earn interest during such hold period when they arrive at the Participating Banks.

Interest Posting

Each month, your Cash Account statement will reflect the interest paid on your Program Deposits. Interest accrues daily, is compounded monthly, and is posted to the Deposit Account on the first business day of the following month. After being posted to the Deposit Account, interest payments are added to your Program Deposit.

Evidence of Ownership

No evidence of ownership of the Deposit Account, such as a passbook or certificate, will be issued to you. Instead, the Deposit Account will be evidenced by (1) a book entry on the account records of each Participating Bank showing an omnibus Deposit Account as being held in the name of Wealthfront Brokerage for the benefit of you and other Wealthfront Brokerage customers that participate in the Cash Sweep Program, and (2) records of your Program Deposit maintained by Wealthfront Brokerage as your custodian and recordkeeper for the Participating Bank.

Participating Banks

Wealthfront Brokerage maintains the Participating Bank List for the Cash Sweep Program. From time to time, a Participating Bank may be added to or removed from the list. Removing a Participating Bank from the Participating Bank List means that Wealthfront Brokerage has terminated its relationship with such Participating Bank and the Participating Bank no longer participates in the Cash Sweep Program. If a Participating Bank is removed from the Cash Sweep Program, Wealthfront Brokerage will transfer your Program Deposit from that Participating Bank

into another Participating Bank or Participating Banks in accordance with the deposit methodology discussed above, as if you had opted out of such Participating Bank (as more fully described below).

Each Participating Bank may accept deposits up to an aggregate deposit limit (the “Deposit Limit”), which generally caps the total amount on deposit at the Participating Bank in connection with the Cash Sweep Program. The Deposit Limit is set by contract between TBS and the Participating Bank.

Changes to Participating Bank Lists

Customer-Initiated Changes

Once your Cash Account has been established, you can modify the Participating Bank List assigned to your Cash Account by “opting out” of any one or more Participating Banks on the Participating Bank List, provided, however, that you must have at least one Participating Bank designated for your Cash Account in order to utilize the Cash Sweep Program. By opting out of a Participating Bank, you make the Participating Bank inactive and ineligible or unavailable to receive Program Deposits from your Cash Account. Your decision to opt out is revocable and you can opt back into a Participating Bank at any time, provided that the Participating Bank is still participating in the Cash Sweep Program. In order for your Program Deposits to be FDIC insured up to \$5 million, you will need to ensure that you have at least twenty (20) Participating Banks designated to your Cash Account.

If you opt out of one or more Participating Banks and you currently have Program Deposits with these Participating Banks, those Program Deposits will be treated as if they were a Cash Balance in your Cash Account and reallocated to the remaining active Participating Banks in accordance with the Deposit methodology described above.

You can obtain publicly available financial information concerning any of the Participating Banks at www.ffiec.gov/nic or by contacting the FDIC Public Information Center by mail at 801 17th Street, N.W., Room 100, Washington, D.C. 20434 or by phone at 877-ASK-FDIC (877-275-3342).

Wealthfront Brokerage does not guarantee the financial condition of any Participating Bank or the accuracy of any publicly available financial information concerning a Participating Bank. Neither Wealthfront Brokerage nor TBS is responsible for any insured or uninsured portion of any deposits at any Participating Bank or guarantees the financial condition of any Participating Bank or the accuracy of any publicly available financial information concerning a Participating Bank.

Programmatic Changes

From time to time, a Participating Bank may be added to or removed from the Participating Bank List. New Participating Banks will be added to the Participating Bank List and existing Participating Banks will be removed from the Participating Bank List. The Participating Bank List will not be reordered as a result of either the addition or removal of a Participating Bank. If a Participating Bank has been removed from the Participating Bank List, that Participating Bank will no longer be available to receive Program Deposits. If you have a Program Deposit on deposit with the removed Participating Bank, Wealthfront Brokerage will transfer your Program Deposit from that

Participating Bank into the remaining Participating Banks on your Cash Account's Participating Bank List as if you had opted out of such Participating Bank.

Every Cash Account must have at least one available Participating Bank. If the removal of a Participating Bank combined with your election to opt out of one or more Participating Banks results in your Cash Account's Participating Bank List having no available Participating Banks, then you direct Wealthfront Brokerage to void your last opt-out election.

Changes Affecting Your Cash Account

Wealthfront Brokerage may from time to time make changes in the Cash Sweep Program that include making Deposit Accounts available at banks other than the current Participating Banks or changing the allocation of Program Deposits among Participating Banks. Wealthfront Brokerage has the right to limit the amount of your Cash Balance that is swept into a Deposit Account or to move your Cash Balance to another Participating Bank if: (i) Wealthfront Brokerage determines that such action is necessary to protect your funds, (ii) in the event that one or more Participating Bank(s) is not able or willing to take additional deposits, (iii) in the event that Wealthfront Brokerage, its banks and/or TBS is unable to transfer your Cash Balance to the Participating Banks, (iv) a Participating Bank's participation in the Cash Sweep Program is terminated, or (v) a Participating Bank's ongoing viability may be in question. Under such circumstances and without prior notice to you, any or all of the Cash Balance in your Cash Account may be placed into a non FDIC-insured bank, such as a money market mutual fund, a free credit balance position, or other available cash investment vehicle. These alternative cash sweep options would not be eligible for FDIC insurance but may be eligible for SIPC protection. Your continued use of your Cash Account following such change to your cash sweep option shall constitute your consent to any such change.

The new Cash Sweep option that Wealthfront Brokerage chooses for you may receive a lower effective rate of return. Wealthfront Brokerage will attempt to select an alternative Cash Sweep option for you that provides a rate of return that is equal to or better than the rate of return you were receiving on your Program Deposit. Wealthfront Brokerage, however, cannot guarantee any rate of return, including a return that is equal to or greater than your current return. Wealthfront Brokerage may also receive different and potentially greater compensation in connection with the alternative Cash Sweep options than was the case with your original Cash Sweep Program option.

By signing the Customer Brokerage and Custody Agreement with Wealthfront Brokerage in connection with the opening of your Cash Account, you represent that you have read this Cash Sweep Program Disclosure Statement and understand and consent to Wealthfront Brokerage changing your Cash Sweep Program option at its discretion to a money market mutual fund, a free credit balance position, or another cash investment vehicle, if available, under the circumstances described in this section entitled "Changes Affecting Your Cash Account."

You agree to hold Wealthfront Brokerage harmless for any actions that might result from Wealthfront Brokerage changing your Cash Sweep Program option, including any lower or different rate of return that may be paid by the new cash sweep option that Wealthfront Brokerage selects for you. You also

acknowledge and agree to allow Wealthfront Brokerage to share personal information about you, including such things as your name, Social Security number or tax identification number, address, or date of birth, with certain entities that provide services to Wealthfront Brokerage in connection with the Cash Sweep Program. These service providers, which include the Participating Banks, will use such information solely to satisfy their own statutory or regulatory obligations, or obligations that attach to Wealthfront Brokerage.

B. Money Market Mutual Funds

A money market mutual fund (Money Market Fund) is a type of mutual fund that is required by law to invest in low-risk securities. Money Market Funds are considered relatively low-risk investments compared to other mutual funds and pay dividends that generally reflect short-term interest rates. Unlike a “money market deposit account” at a bank, Money Market Funds are not federally insured. Money Market Funds typically invest in government securities, commercial paper of companies, or other highly liquid and low-risk securities. Money Market Funds seek to achieve as high a level of current income obtainable from investments in short-term securities as is consistent with the preservation of capital and the maintenance of liquidity. Before investing in a money market fund, you should carefully read all of its available information, including its prospectus and its most recent shareholder report.

Currently there is one Participating Fund in the Cash Sweep program, namely the RBC – U.S. Government Money Market Fund – RBC Institutional Share Class (ticker: TIMXX). You may also contact us to obtain a free prospectus for the Participating Fund. You should review the prospectus carefully before selecting a Participating Fund as your Cash Sweep option or sending money to invest in such Participating Fund. Although Money Market Funds typically seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in Money Market Funds.

Wealthfront Brokerage may, from time to time upon 30-days prior notice to you, add or delete Participating Funds available in the Cash Sweep Program and/or change the Participating Fund to which your Cash Balance sweeps. If we make such a change, there is no guarantee that the change will provide an equal or greater rate of return to you during any given period, and the rate of return could be lower.

Money Market Funds are securities and, as such, (i) are not insured by the FDIC, (ii) carry no bank or government guarantee, and (iii) are subject to investment risk, including loss of principal amount invested.

Wealthfront Brokerage is a member of SIPC, which insures Cash Balances swept into Money Market Funds as follows: Customers are protected up to the applicable SIPC limits if Wealthfront Brokerage were to go out of business and there were customer securities or funds unaccounted for. Current SIPC limits are \$500,000 for securities and cash per customer, of which up to \$250,000 may be in cash (i.e., Free Credit Balances). Because Money Market Fund balances are considered securities, they do not count against the \$250,000 cash limitation of SIPC protection on Free Credit Balances.

However, SIPC does not provide protection against market losses of the failure of a Money Market Fund. For additional information about SIPC coverage, visit www.sipc.org.

C. Tax Reporting

The interest that you receive from your Program Deposit is generally fully subject to state and federal tax, as is income that you may receive from money market funds. An IRS Form 1099, a Tax Information Summary, will be sent to you by Wealthfront Brokerage for each year, showing the amount of interest income you have earned from your Program Deposit. You will also receive a Form 1099-DIV from Wealthfront Brokerage for each year showing the amount of dividend income you have earned on any money market fund balances.

Wealthfront Brokerage may be required to withhold U.S. federal income tax at the prevailing rate on all taxable distributions payable to certain customers who fail to provide their correct taxpayer identification number or to make required certifications or who have been notified by the Internal Revenue Service that they are subject to backup withholding.