

Form ADV Part 2A**Betterment Client Brochure**

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December 20, 2024**Item 1 - Cover Page**

This brochure provides information about the qualifications and business practices of Betterment LLC (“Betterment”), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that Betterment has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact us at support@betterment.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Betterment is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Summary of Material Changes

On November 20, 2024, Betterment amended its advisory brochure on Form ADV Part 2A to reflect modifications to its advisory services with respect to crypto assets.

On June 3, 2024, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect that Betterment Checking account balances are not considered in the calculation of total account balances for purposes of determining whether a client is subject to Betterment's wrap fee of \$4 per month.

On April 25, 2024, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect that Retail Clients who elect to receive Betterment Premium Services on or after April 25, 2024 will pay a wrap fee of 0.65% of their account balance in annualized fees, which includes Betterment's 0.25% annualized wrap fee plus 0.40% for access to Premium Services provided by Betterment's team of financial consultants.

The most recent annual update of this Form ADV Part 2A Brochure and Wrap Program Appendix was on March 28, 2024. In that update, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect minor changes for readability and consistency.

Item 3 - Brochure Table of Contents

| | |
|---|----|
| Item 1 - Cover Page | 1 |
| Item 2 - Summary of Material Changes | 2 |
| Item 3 - Brochure Table of Contents | 3 |
| Item 4 - Advisory Business | 4 |
| Item 5 - Fees and Compensation | 8 |
| Item 6 - Performance-Based Fees and Side-By-Side Management | 10 |
| Item 7 - Types of Clients | 10 |
| Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss | 13 |
| Item 9 - Disciplinary Information | 20 |
| Item 10 - Other Financial Industry Activities and Affiliations | 20 |
| Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 21 |
| Item 12 - Brokerage Practices | 22 |
| Item 13 - Review of Accounts | 23 |
| Item 14 - Client Referrals and Other Compensation | 24 |
| Item 15 - Custody | 25 |
| Item 16 - Investment Discretion | 25 |
| Item 17 - Voting Client Securities | 26 |
| Item 18 - Financial Information | 26 |
| Form ADV Part 2A – Appendix 1 | 28 |
| Item 2: Summary of Material Changes | 29 |
| Item 3: Wrap Fee Brochure Table of Contents | 30 |
| Item 4: Services, Fees, and Compensation | 31 |
| Item 5: Account Requirements and Types of Clients | 41 |
| Item 6: Portfolio Manager Selection and Evaluation | 41 |
| Item 7: Client Information Provided to Portfolio Managers | 52 |
| Item 8: Client Contact with Portfolio Managers | 52 |
| Item 9: Additional Information | 53 |
| Form ADV Part 2B | 59 |

Item 4 - Advisory Business

Firm Description

Betterment LLC (“Betterment”), a Delaware limited liability company organized in 2009, is an SEC-registered investment adviser that maintains its principal office at 450 West 33rd Street, Floor 11, New York, NY 10001. Betterment is a wholly-owned subsidiary of Betterment Holdings, Inc. (“Holdings”), which is also the parent company of MTG LLC dba Betterment Securities, Betterment for Business LLC, and Betterment Financial LLC.

Types of Advisory Services

Betterment offers investment advisory services to clients primarily over the internet via its interactive online platform and mobile application (collectively, Betterment’s “online interface”). For certain clients receiving Supplementary Services (as defined below), Betterment also provides investment advice over the phone, video, or email communications with Betterment financial consultants.

This Brochure is meant to help you understand the nature of the advisory services offered by Betterment, whether the advisory services offered by Betterment are right for you, and the potential conflicts of interest associated with Betterment services. You should review it carefully.

Betterment provides investment advice and discretionary asset management services for clients that span (1) portfolios composed of exchange-traded funds (“ETFs”) and, in certain cases, mutual funds, and stocks (each a “security” and collectively, “securities”) and (2) a cash management offering. Investment portfolios generally consist of sets of globally diversified stock and bond allocations or are targeted to a particular investment exposure (e.g. socially responsible investing, crypto ETFs, or tax-smart bonds), and can be constructed by Betterment or offered in connection with a third-party portfolio manager, such investment portfolios are further described in Item 8 below. Investment portfolios and Betterment’s cash management offering are offered through the Wrap Fee Program, as defined and further described in the *Wrap Fee Program Brochure Appendix* below (investment portfolios and cash management, collectively “wrap accounts”). For the avoidance of doubt, an ETF that invests in digital assets (“crypto” or “crypto assets” and such ETF, a “crypto ETF”) is considered a security offered through the Wrap Fee Program.

A wrap fee program has a fee structure that provides clients with advisory and brokerage services for a bundled fee with no additional account activity charges for execution of trades. As such, Betterment charges Wrap Fee Program clients a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services associated with holding and trading securities provided by its affiliated broker-dealer, Betterment Securities.

Betterment offers investment advisory services to three types of clients:

- (1) a retail service whereby individuals, trusts, and other legal entities receive advisory services from Betterment (such clients are referred to as “Retail Clients”);
- (2) a platform whereby individuals, trusts, and other legal entities receive advisory services from Betterment and from an unaffiliated registered investment adviser or other provider of investment advice (“Advisor”), subject to Betterment’s approval, with which the individual, trust or legal entity has an independent relationship (such clients are referred to as “Third-Party Advised Clients” and such business is referred to as “Betterment Advisor Solutions”); and
- (3) a platform whereby employer-sponsored retirement plans (“Retirement Plan Clients”) and plan participants (“Participants”) receive 401(k) plan advisory services from Betterment, acting in an ERISA 3(38) fiduciary capacity, and 401(k) recordkeeping and/or administrative services from our affiliate, Betterment for Business LLC (such business line, collectively with other employee financial wellness products, certain of which are offered through our retail service, “Betterment at Work”).

Retail Clients, Third-Party Advised Clients, Retirement Plan Clients and Participants are collectively referred to in this brochure as “clients.”

Retail Client accounts are managed by Betterment pursuant to each client’s Advisory Agreement and the client’s instructions. Third-Party Advised Client accounts are managed by Betterment pursuant to each client’s Betterment Advisor Solutions Sub-Advisory Agreement and in conjunction with the Advisor’s and/or Third-Party Advised Client’s instructions. Retirement Plan Client accounts are managed by Betterment, in its capacity as an ERISA 3(38) investment manager, pursuant to an Advisory Agreement specific to the Retirement Plan Client’s employer-sponsored 401(k) plan, as well as Participants’ instructions. Clients with an Individual Retirement Account (“IRA”) also agree to specific custodial agreements with Inspira Financial, which serves as the custodian and directed trustee for Betterment IRA accounts and 401(k) plan assets, respectively. Clients with a Health Savings Account (“HSA”) agree to a specific HSA Addendum to their Advisory Agreement, as well as a Custodial and Deposit Agreement with Optum Bank. Clients with a 529 Education Savings Account (“529”) that is serviced by Ascensus College Savings Recordkeeping Services, LLC (“Ascensus”) and integrated with the Betterment interface agree to a 529 Addendum to their Advisory Agreement, Ascensus’s Terms and Conditions, as well as terms issued by their selected 529 plan.

Betterment additionally offers Retail Clients with a balance of at least \$100,000 in Betterment wrap accounts (“Account Balance Threshold”) the opportunity to receive discretionary and non-discretionary advisory services over the phone, email, video, or other mediums from Betterment’s team of financial consultants through participation in Betterment’s Premium Plan. Clients who do not receive Betterment Premium Services and who receive Betterment’s

investment advisory services online are referred to as clients of the Betterment Digital plan. In connection with Betterment's Premium Plan, Betterment reserves the right, in its sole discretion, to reduce or waive the Account Balance Threshold. The Account Balance Threshold does not include funds held in Betterment Advisor Solutions, Betterment at Work, or Betterment managed HSAs offered in partnership with Optum Bank (each as described below).

No minimum account size is required to maintain a Betterment Digital wrap account. The minimum deposit is \$10.

Betterment's investment advisory services are not designed to provide clients with a comprehensive financial plan. Wrap Fee Program services are built to advise clients on how to achieve particular financial goals that clients indicate in their account. All of Betterment's services are highly dependent on receiving accurate information from clients. If clients provide Betterment with inaccurate information or fail to update promptly the information provided to Betterment when it changes, the quality and applicability of Betterment's investment advisory services could be materially impacted.

In addition, there are other pieces of information about a client's personal financial situation that are not elicited through Betterment's online interface that could inform Betterment's advice if it were provided to Betterment. This is true even for clients who communicate with Betterment's financial consultants via phone, video or email. Similarly, not every piece of information that we collect is factored into your investment advice. Clients should consider this limitation on Betterment's service, which is a function of Betterment primarily providing an internet-based service.

Before depositing funds with Betterment, or in any investment or cash account, investors should consider paying off debt, particularly to ensure that minimum debt payments are made on time to avoid late payment penalties, extra interest, and higher finance charges. Investors should also consider prioritizing paying off high-interest debt, which typically is associated with credit card debt or unsubsidized student loan debt. Also, investors should consider the options that are available to them through workplace savings plans provided by their employers that offer match programs.

Tailored Services and Investment Restrictions

A. Wrap Fee Program

With respect to Betterment's Wrap Fee Program, clients customize their accounts according to their financial situation and investment goals, and choose among several portfolio strategies described in the *Wrap Fee Program Appendix* attached below. To use Betterment's services, clients and/or their Advisors must inform Betterment of their financial situation and preferences through Betterment's online interface. Based on this information, Betterment will recommend clients an asset allocation of stock to bonds for the selected securities portfolio strategy, or if a

Third-Party Advised Client, the Advisor will recommend their clients an asset allocation based on the selected securities portfolio strategy or Custom Portfolio (defined below).

In its Wrap Fee Program, Betterment generally organizes its advice into one of five categories – education, retirement, emergency fund, major purchase, and general investing – each with different attributes and a discrete advice model (a “goal”). Clients can select multiple goals within their account. After identifying an advice type, clients or their Advisors select a securities portfolio strategy and provide details about their investing purpose. Betterment solicits input on a client’s anticipated time horizon in order to recommend an allocation, which is a specific set of asset classes (i.e., stocks, bonds, and if applicable, other asset classes) and the relative distribution among those asset classes in which a client’s account will be invested (the “Allocation”). Betterment allows clients to adjust the recommended Allocation to their own risk preference and provides information about the risk level of the selected Allocation. An Allocation differs depending on whether a client’s goal is taxable or tax-advantaged and when the client expects to draw on their goal. In general, Betterment will recommend to clients who indicate a more conservative advice type (such as an emergency fund) or shorter time horizon a more conservative Allocation and will recommend to clients who indicate a more aggressive investment advice type or longer time horizon a more aggressive Allocation. Clients and/or their Advisor either accept the recommended Allocation or elect a different Allocation based on their or their client’s own risk tolerance or preferences. Clients can also elect an investment portfolio that is targeted to a particular investment exposure, such as crypto ETFs. For investment portfolios with targeted exposures, Betterment provides clients information about the portfolio’s intended purpose but does not recommend to the client that they invest in the portfolio or which portfolio to select. Betterment’s advice framework is described in more detail in the *Betterment Wrap Fee Program Appendix*.

Clients and/or their Advisors have the ability to impose reasonable restrictions on the management of their portfolios. Clients and/or their Advisors are able to restrict the securities purchased for their accounts by electing a Flexible portfolio strategy to choose from the available pre-selected asset classes and adjust allocation weights. Clients and/or their Advisors also have the ability to enable or disable several automated portfolio management features. The investment advisory services provided in connection with Betterment’s Wrap Fee Program are described in more detail below in the *Betterment Wrap Fee Program Appendix*.

B. Other Financial Wellness Services Specific to Employees through Betterment at Work Employers

If Betterment at Work employers offer, and their employees elect to receive, 529 education savings services from Betterment, such services will include non-discretionary financial advice relating to the selection of a 529 plan, as well as the ability to make contributions to certain externally managed 529 accounts with Ascensus-supported, participating plans via payroll deduction, employer match (if applicable), and/or from a linked checking account. Additionally, Betterment at Work allows Retirement Plan Clients to elect to match qualified student loan

payments in eligible Participants 401(k) Accounts. Betterment at Work also makes available to Plans financial coaching packages of non-discretionary advice with Betterment financial consultants. More information about employee wellness offerings made available through Betterment at Work can be found on the Website.

Wrap Program

As described above, Betterment offers its investment advisory services for wrap accounts through the Betterment Wrap Fee Program. For more information about the Wrap Fee Program, please see the *Wrap Fee Program Brochure Appendix* attached below. Betterment charges a wrap fee that covers the cost of its investment advisory services, as well as custody and trading services provided by its affiliate, Betterment Securities.

Assets Under Management

As of July 22, 2024, Betterment managed \$51,593,062,299 in client assets on a discretionary basis.

Item 5 - Fees and Compensation

A. Wrap Fee Programs

Betterment charges an asset-based wrap fee that covers the costs of its investment advisory services as well as associated trading and custody services provided by its affiliated broker-dealer, Betterment Securities. Betterment's asset-based wrap fees are calculated based on client's Total Account Balance (as defined below) as of the close of each calendar day, accrued daily, and, beginning on October 1, 2024, typically charged as of the first business day following the end of each month. Third-Party Advised Client's fees are accrued daily and typically charged as of the first business day following the end of each month or quarter. Retirement Plan Clients' fees are accrued daily and typically charged as of the first business day following the end of each quarter.

Retail Clients pay a \$4 per month wrap fee for their Digital wrap accounts (\$48 annually). If at any point a Retail Client's Total Account Balance (as defined below) exceeds \$20,000, or the Retail Client enables a monthly \$250 recurring deposit (such recurring deposit amount subject to change at any time), that client will pay an annualized Digital wrap fee of 0.25% their Total Account Balance instead of the \$4 per month fee. If a Retail Client's Total Account Balance fluctuates over \$20,000 for any day in a given month, the Digital wrap fee for that day will be accrued based on the daily equivalent of the 0.25% annualized fee on the Total Account Balance rather than the daily equivalent of \$4 per month. For any day that a Retail Client's Total Account Balance is less than \$20,000 and that client does not otherwise qualify for the asset-based fee, they will be charged the daily equivalent of the \$4 monthly fee for that day. For clients with Total Account Balances around \$20,000, the monthly fee may be more than \$4 per month if on certain days the Total Account Balance exceeded \$20,000. "Total Account Balance" is the combined account balance of all Retail Client Betterment wrap accounts in a "Household" (as

that term is defined in the Advisory Agreement), inclusive of balances held in investment portfolios and Cash Reserve accounts. Betterment waives its wrap fee on Client account balances held in Cash Reserve. For more information on Betterment's pricing, please review www.betterment.com/pricing.

HSA accounts are subject to an annualized fee of 0.50% of their account balance, which includes Betterment's annualized wrap fee of 0.25% as well as an additional, 0.25% asset-based fee for the HSA administrator. 401(k) accounts are subject to additional fees for recordkeeping services, unless the plan sponsor has elected to allocate those fees to itself, as described below in the *Wrap Fee Program Appendix*. For certain clients, Betterment's annualized wrap fee is reduced by discounts and other promotions, including those described below. Retail Clients who elect on or after April 25, 2024 to receive Betterment Premium Services pay a wrap fee of 0.65% of their account balance in annualized fees, which includes Betterment's 0.25% annualized wrap fee plus 0.40% for access to Premium Services provided by Betterment's team of financial consultants. Betterment waives its wrap fee on Client account balances held in Cash Reserve. Betterment includes assets transferred in-kind to Betterment in its calculation of a client's Total Account Balance. For more information about the fees associated with Betterment's Wrap Fee Program, in particular with respect to Third-Party Advised Clients and Retirement Plan Clients, please refer to the *Wrap Fee Program Brochure Appendix* attached below.

Typically on or around the first business day following the end of the applicable relevant period (month or quarter), Betterment instructs Betterment Securities to sell securities in an amount that will generate cash proceeds to satisfy a client's fee obligation. If a client's account includes mutual funds, due to small price fluctuations in mutual funds that may occur on the transaction date, Betterment will accrue any fees over- or under-assessed and apply the difference to adjust the following period's fees. Betterment will automatically debit the prorated amounts of the fees from the assets in a client's account on a monthly or quarterly, as applicable, basis in arrears.

B. Discounts

For certain clients, Betterment's wrap fee is reduced by discounts and other promotions, including those described below. All of Betterment's asset-based fees for Retail Clients are subject to a 0.10% discount (the "Discount") on the portions of their balances above \$2 million, except for clients who receive specific fee discounts. Balances in a client's wrap account are counted towards the \$2 million threshold, but any funds in Cash Reserve and any 401(k) account through Betterment at Work are not subject to the Discount and are not included when determining its availability.

Regardless of the balance in their retail accounts, clients who (i) are eligible to participate in a Betterment at Work 401(k) plan or (ii) maintain an HSA pay Betterment's Digital fee of 0.25% of assets in their retail wrap account, rather than a \$4 per month fee. If a Participant's relationship with their employer ends and the Participant elects to rollover their Betterment 401(k) into a Betterment IRA, the former Participant will pay Betterment's \$4 per month fee on their wrap

account, unless their Total Account Balance exceeds \$20,000 or the former Participant takes certain other actions described above. If a client's Total Account Balance is less than \$20,000, the \$4 monthly fee in a Betterment IRA is likely to be greater than investment management fees paid in their 401(k).

As described in the *Wrap Fee Program Brochure Appendix* attached below, Betterment offers a Satisfaction Guarantee pursuant to its Wrap Fee Program to Retail Clients. If for any reason, a Retail Client who is subject to the Digital wrap fee of 0.25% is not completely satisfied with Betterment's Wrap Fee Program services, at that client's request, Betterment will waive its annualized Digital wrap fee of 0.25% on a client's Total Account Balance for an upcoming period of 90 days. The Satisfaction Guarantee applies only to the digital wrap fee charged by Betterment, and does not apply to balances subject to the Minimum Fee, cash held in Cash Reserve, Premium Services fees, HSA Administrator fees, or to balances held through Betterment Advisor Solutions or Betterment at Work. The Satisfaction Guarantee is not available to clients subject to the \$4 monthly fee.

Betterment reserves the right, at its sole discretion, to waive portions of its fees or offer pricing that differs from its standard fees.

Item 6 - Performance-Based Fees and Side-By-Side Management

Betterment does not charge performance-based fees.

Item 7 - Types of Clients

A. Clients

Betterment offers investment advisory services to three types of clients: Retail Clients, Third-Party Advised Clients and their Advisors, and Retirement Plan Clients and their Participants (see types of clients described above in *Item 4*).

Betterment's clients include individuals, trusts, employer-sponsored plans (and their Participants) and other legal entities (subject to Betterment's approval) who are U.S. residents and maintain a checking account with a U.S. bank. There is no minimum account size to maintain a wrap account with the Betterment Digital plan. Retail Clients with a balance of at least \$100,000 in Betterment wrap accounts are eligible to participate in the Betterment Premium plan. The Account Balance Threshold does not include funds held in Betterment Advisor Solutions, Betterment at Work, or Betterment managed HSAs. The minimum deposit is \$10. See Item 4 - Types of Advisory Services for a description of the agreements that govern each client's advisory relationship.

B. Premium Services

Betterment Premium plan clients are eligible to schedule telephone consultations with a financial consultant, affiliated with Betterment, who will provide discretionary investment advice, non-discretionary investment advice, and/or personalized financial planning, including advice relating to debt, such as student loans and credit card debt, mortgages, savings, and retirement (including pensions and social security), crypto and tax-related advice that does not constitute legal advice or advice requiring licensure as a Certified Public Accountant or IRS Enrolled Agent (such discretionary advice and non-discretionary advice, “Premium Services”). Betterment also offers Retail Clients and Participants the ability to schedule consultations of non-discretionary advice delivered via telephone or other medium (such non-discretionary advice, “Supplementary Services”). Premium Services and Supplementary Services are designed to help clients articulate and quantify goals, organize financial data, identify needs and opportunities, evaluate alternative courses of actions, and determine whether and how Betterment can fit into clients’ broader financial plans. Betterment will base any such advice on information provided by clients regarding, among other things, their age, marital and family status, annual income, employment status, liquid net worth (investable assets), debt and other investments, investment goals and investment experience during the financial consultation call, email or onboarding questionnaire. Betterment Premium plan clients are also able to contact financial consultants via email in order to receive more discrete investment advice.

Participation in the Betterment Premium plan will entitle such clients to an unlimited (subject to scheduling availability) number of telephone consultations per year with a licensed Betterment financial consultant in order to receive Premium Services. Premium plan clients are responsible for scheduling such telephone consultations in order to receive such Premium Services. Betterment uses a team-based approach to providing Premium Services and Supplementary Services—if clients receive Premium Services and Supplementary Services on multiple occasions, they are likely to interact with multiple financial consultants. Financial consultants do not monitor client accounts in between consultations.

Information provided by Betterment to Premium plan clients via telephone consultations with financial consultants will be considered in the provision of Betterment’s discretionary advisory services, and financial consultants may modify Premium plan client wrap accounts to reflect items discussed in such consultations. Betterment and the financial consultant have discretion over Premium plan client assets or accounts with respect to implementing any such recommendations, as described below in “Premium Authorized Actions”.

As a condition of receiving Premium Services, Premium plan clients grant financial consultants the authority to view, receive, access, provide instructions, and modify client’s wrap account in all communication mediums Betterment offers. Based on Premium plan client’s situation, as determined through questionnaires, written or verbal communications, Premium plan client’s account information, or Premium plan client’s instruction, financial consultants also have the authority to modify the Premium plan client’s investment selections, including but not limited to creating new goals, modifying existing goals, and adjusting such client’s settings (e.g., investment strategies, asset allocations, and enabling or disabling automated features). Premium plan clients also grant financial consultants the authority to view, receive, and access

information about such clients' external Connected Account(s) (as defined in the *Wrap Appendix* below), Betterment checking account, and Betterment 401(k) account, but financial consultants will not have the ability to provide instructions for, or modify, such accounts. The foregoing authorized actions are collectively, "Premium Authorized Actions". Premium plan clients should not expect Premium Authorized Actions to be completed immediately following a discussion or communication with a financial consultant. Financial consultants will implement changes discussed via telephone consultations or email in Premium plan client's Account within a reasonable time period.

Betterment Premium plan clients may also individually undertake any of the foregoing Premium Authorized Actions, except for modifying investment strategies, which must be done in connection with a financial consultant. Financial consultants are also able to incorporate legacy assets transferred in-kind into the wrap account investment strategies of Premium plan clients.

C. Additional Advisory Services

In addition, Betterment provides certain Retirement Plan Clients the ability to elect to offer Supplementary Services via telephone consultations to their Participants ("Financial Coaching").

Information provided to 401(k) plan Participants by financial consultants solely in connection with Financial Coaching will not be considered in the provision of Betterment's discretionary advisory services unless Betterment's online interface solicits such information and the client also enters such information into Betterment's online interface. Betterment financial consultants will not monitor, or provide continuing advice on, accounts held at institutions other than Betterment.

Financial Coaching will not include, among other things, a comprehensive financial plan and certain investment topics, such as investments in real estate, that fall outside the scope of the Supplementary Services. Any tax information provided by Betterment is for educational purposes only, and is not a substitute for the advice of a qualified tax advisor. You should consult with your tax advisor to discuss tax-related concerns.

There can be no assurances that any client's financial goals and objectives will be met through receipt of Supplementary Services. As with Betterment's Premium plan, Betterment uses a team-based approach to providing Supplementary Services—if clients receive Supplementary Services on multiple occasions, they are likely to interact with multiple financial consultants.

In addition, Betterment reserves the right, in its sole discretion, to offer any client, without charge, certain Supplementary Services through email or telephone communications, subject to the conditions and limitations described above. Clients are under no obligation to accept or follow any recommendations made by a financial consultant as part of the Supplementary Services. In connection with Supplementary Services, neither Betterment nor the financial consultant will have any discretion over client assets or accounts with respect to implementing any such recommendations.

Betterment previously offered to Retail Clients, regardless of account size, a matching service whereby Betterment provided such Retail Clients at their request, with the contact information of a dedicated third-party registered investment advisor on the Betterment Advisor Solutions platform that requested their contact information be made available, through the Betterment's Advisor Network program. When a client elected to participate in the Advisor Network program, they received the names and contact information of one or more third-party Betterment Advisor Solutions advisor(s) participating in the Advisor Network. After an initial phone call with such advisor(s), the client could enter into a separate agreement on such terms, including fee terms, as mutually agreed between such client and such advisor. Betterment did not receive any additional compensation from the client or the third-party advisor for providing this matching service, aside from Betterment's advisory fee. Betterment no longer offers the Betterment Advisor Network program to either third-party advisors on the B4A platform who may wish to participate in the Advisor Network, or to existing and new Retail Clients who may request to be connected with a third-party advisor. Betterment conducted an initial vetting of firms participating as third-party advisors in the Advisor Network program and continues to conduct due diligence annually for those firms grandfathered into the program with existing client relationships from Advisor Network program recommendations.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

Betterment currently offers (i) several securities portfolio strategies composed primarily of ETFs to Retail, Retirement Plan, and Third-Party Advised Clients and (ii) a cash management account, Cash Reserve (as defined in the *Wrap Fee Program Appendix*), to Retail and Third-Party Advised Clients, in each case, subject to limitations on availability as described below. Betterment's Executive Investment Committee ("EIC") is responsible for Betterment's investment strategy, portfolio management, advice, and financial planning models, consistent with its charter and Betterment's policies. The EIC determines which portfolio strategies to make available to clients directly and through Advisors and oversees each portfolio strategy, except to the extent described below. The EIC may delegate part or all of this responsibility to a subcommittee.

Betterment makes available three categories of portfolio strategies: Betterment Constructed Portfolios, Third-Party Portfolios, and Custom Portfolios, as well as a cash management offering, Cash Reserve.

A. Betterment Constructed Portfolios

Betterment Constructed Portfolios are portfolios composed of securities for which Betterment selects the underlying securities and weightings of those securities associated with particular Allocations. Betterment Constructed Portfolios are composed of publicly traded ETFs. The

selection process for Betterment Constructed Portfolios is intended to satisfy a broad set of potential client financial goals, including but not limited to maximizing returns, minimizing investment costs, limiting volatility, diversifying investments, and/or targeting a particular investment exposure. Betterment makes available Betterment Constructed Portfolios to Retail Clients, Retirement Plan Clients, and Third-Party Advised Clients. Descriptions of the current Betterment Constructed Portfolios are available on the Website, and are subject to change. More information about Betterment's Constructed Portfolio strategies can be found in Betterment's online interface and in its publicly available portfolio strategy disclosures.

B. Third-Party Portfolios

Betterment also offers Retail Clients, Retirement Plan Clients, and Third-Party Advised Clients the opportunity to select certain portfolio strategies that are constructed and updated by third-party managers, such as BlackRock, Goldman Sachs Asset Management ("GSAM"), Vanguard, and Dimensional Fund Advisors ("Third-Party Portfolios"). Betterment does not select the underlying securities in Third-Party Portfolios but periodically reviews the Third-Party Portfolios to ensure that they remain consistent with the portfolio objectives identified by the third-party manager.

Third-Party Portfolios include ETFs sponsored by the third-party manager or an affiliate thereof, for which the manager or its affiliate receives fees. Each such third-party manager is therefore subject to a conflict of interest in that it is incentivized to include such affiliated ETFs in constructing such portfolios. Furthermore, to the extent any Third-Party Portfolio is updated by the applicable third-party manager, such updates are delivered to Betterment and updated after such updates are delivered to other users of such Third-Party Portfolio (including affiliates of the relevant manager). Clients should also understand that certain of Betterment's services are restricted or operate differently for clients who elect a Third-Party Portfolio as compared to Betterment's Core portfolio strategy. Third-Party Advised Clients should consult their Advisor for additional information about any other Third-Party Portfolios available to them. More information about Betterment's Third-Party Portfolios can be found in Betterment's online interface and in our publicly available portfolio strategy disclosures.

C. Custom Portfolios

Betterment also offers Advisors the ability to construct their own Advisor-designed custom portfolios (each a "Custom Portfolio") available to Third-Party Advised Clients. A Custom Portfolio consists of a set or multiple sets of securities and allocations with capital markets assumptions provided by the Advisor to Betterment (although, in certain cases, Betterment will make its capital market assumption defaults available to the Advisor to review and confirm). Betterment's portfolio management software will not function or will function less effectively if Advisor fails to provide capital markets assumptions for its selected securities in a Custom Portfolio. Betterment continues to manage the accounts of Third-Party Advised Clients who elect a Custom Portfolio on a discretionary basis. For any Third-Party Advised Client who elects a

Custom Portfolio, Betterment will allocate the client's assets in accordance with the Custom Portfolio. For Custom Portfolios, the Advisor and not Betterment is responsible for ensuring the Custom Portfolio (1) is suitable for its Third-Party Advised Clients, and (2) is constructed and updated in a manner consistent with the Third-Party Advised Client's financial situation and investment objectives. Betterment's portfolio management tools, such as TLH+, rebalancing, and tax coordination, work differently for Custom Portfolios, and Advised Clients should discuss these differences with their Advisor.

Betterment does not independently review and/or approve Advisor-designed Custom Portfolios. Betterment's EIC has determined to make Custom Portfolio functionality available to Advisors but does not determine which Custom Portfolios may be offered to clients or oversee each Custom Portfolio strategy. Third-Party Advised Clients should consult their Advisor for additional information about Custom Portfolios available to them, including whether any of Betterment's advice or portfolio management services are restricted or operate differently for a Custom Portfolio as compared to Betterment's Core portfolio strategy.

C. Cash Reserve

Betterment also offers Retail and Third-Party Advised Clients the opportunity to participate in Cash Reserve, a program in which Betterment directs client funds among interest-bearing, FDIC-insured deposit accounts at banks that agree to accept funds through the program ("Program Banks"). The rates of interest paid by each Program Bank will differ, and Betterment endeavors to achieve, on each day, the same average rate of interest across all client balances. Betterment does not guarantee that any client will receive a specified average or composite interest rate on funds invested through the program. More information about Cash Reserve is available at <https://www.betterment.com/legal/cash-reserve>.

Methods of Analysis

For information about the methods of analysis utilized in Betterment's Wrap Fee Program, including Betterment's portfolio management tools available in the Wrap Fee Program, please refer to the *Wrap Fee Program Brochure Appendix* below, specifically in *Item 6: Portfolio Manager Selection and Evaluation*.

Risk Factors

Investing involves risk that clients should be prepared to bear. Betterment does not guarantee the future performance of any client account or portfolio. Clients must understand that investments made pursuant to its investment advisory services involve risk and are subject to various market, currency, economic, security, and business risks. Clients should carefully consider the risks and uncertainties described below before investing with Betterment.

Additional risks and uncertainties that we are unaware of, or deem immaterial, may also become important factors that adversely impact Betterment's business or client investments.

A. Generally Applicable Risks

Market Risk: Client investments and Betterment's investment advisory services are directly impacted by market conditions that are outside of Betterment's control, such as economic and political conditions, changes and volatility in financial markets, volatility of particular investments (including crypto ETFs), changes in markets in which such transactions are processed, interest rates, inflation rates, regulatory changes, and other broad political, social, and economic trends. These changes can arise suddenly and the full impact of market changes on investments can remain uncertain. Market risk includes:

- *Market Decline Risk:* Market declines, such as a recession or other prolonged downturns in investment markets, may adversely affect clients' investment performance. Significant downturns in general economic or political conditions may also cause clients to be reluctant to make additional investments.
- *Concentration Risk:* If a client has a high allocation to a particular asset class or classes, to the extent those asset classes underperform relative to other assets in the market, a client's overall performance may be adversely affected. Conversely, if a client has a low allocation to a particular asset class or classes that outperform the market over a particular period, a client's investments may underperform relative to the overall market. With respect to crypto, concentrating investments in the crypto sector increases a clients' risk of loss, because developments that adversely impact one crypto asset may adversely impact the crypto industry as a whole.
- *Volatility Risk:* Betterment's advisory services are based in part upon assumptions derived from historical returns, expected returns, and past price volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.
- *Correlation Risk:* While Betterment strives to construct diversified portfolio strategies, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions, which may adversely affect a client's account and may become more acute in times of market upheaval or heightened volatility. Additionally, investment portfolios that target a particular investment exposure may experience correlation risk if securities of a particular industry, mandate, or objective are impacted by similar price changes.
- *Liquidity Risk:* While Betterment strives to ensure client trades are executed at the best prices reasonably available under the circumstances, illiquid markets for an investment may prevent clients from selling their investments at all, or at an advantageous time or price. With respect to Betterment constructed portfolios (as defined above), Betterment's use of exchange traded funds (ETFs) in its portfolio strategies mitigates liquidity risk because ETFs tend to be liquid but this risk cannot be completely

eliminated. Additionally, clients who hold fractional shares of ETFs in their portfolios are unable to transfer fractional shares outside of the Betterment platform because markets for fractional shares do not exist; fractional shares in Betterment Accounts can only be liquidated.

- *Inflation, Currency, and Interest Rate Risk:* Asset prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to decline and may reduce the purchasing power of an investor's future earnings. Inflation also generally leads to higher interest rates, which may cause the value of many types of investments to decline.

Investment Advice Risk: Betterment does not guarantee the results of any investment advice given to clients. All investing involves risk, and Betterment makes no assurances that the investment objectives of any offered portfolio strategy will be achieved. Although Betterment offers diversified portfolio strategies, there is no guarantee that any particular asset allocation or mix of investments will provide a specified return or meet clients' investment objectives. Furthermore, Betterment bases its investment advice on information self-reported by clients or information linked and authorized by clients to be provided by third-party vendors (e.g., Plaid). Betterment's services are highly dependent on receiving accurate information from clients, and Betterment does not independently verify the accuracy or completeness of provided information. If clients provide Betterment with inaccurate information or fail to promptly update information provided to Betterment when it changes, the quality and applicability of Betterment's advisory services could be adversely impacted.

Software and Algorithm Risk: Betterment provides investment advisory services primarily over the internet. Clients input information about themselves and their investing goals in Betterment's online interface and our software generates recommendations and constructs and manages portfolios based on information provided. Although Betterment has standards governing the design, development, and testing of software before it is put into production with client assets, there is a risk that software may not perform as intended or as disclosed. Betterment's algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, available liquidity, and/or changes to data inputs. Betterment periodically modifies its algorithms, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. Betterment conducts testing designed to ensure that our algorithms continue to function as intended when new code is introduced and existing code is updated. Although such testing is intended to ensure that code changes do not create unintended consequences, clients should understand that testing, no matter how comprehensive, cannot guarantee the absence of code-related issues with our algorithms.

Security Risk: Client accounts are subject to inherent operational, information security, and related risks through cybersecurity incidents. While Betterment maintains safeguards to ensure the security of its systems and software, a cyber incident may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, causing a client account to

lose proprietary information, corrupting data, or causing operational disruption, including denial-of-service attacks. Betterment has established policies and procedures reasonably designed to reduce the risks associated with cyber incidents, including the risk that federal securities laws are broken due to a cyber incident. However, there can be no assurance that these policies and procedures will prevent cyber incidents.

Regulatory Risk: Investment performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; changes in the US government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the retirement legislation and tax code that could affect assets, interest income, income characterization and/or tax reporting obligations. There are also particular regulatory risks associated with the crypto industry, described below.

Socially Responsible Investing Risk: Clients investing in Betterment's socially responsible investing portfolios may choose such investments based on their environmental, social, or governance ("ESG") characteristics, rather than based on projected performance alone. While Betterment strives to ensure that its socially responsible investing portfolio options perform substantially similarly to the Betterment Core Portfolio over an assumed moderate- to long-term time horizon, over shorter time horizons socially responsible portfolios may have lower returns as compared to the Core Portfolio. ESG focused investments may also reduce clients' exposure to certain sectors or types of investments, which could adversely impact an investment's performance. Additionally, clients may disagree with the "socially responsible" classification of an investment, particularly for assets that seek ESG change through shareholder engagement or other governance strategies. ESG norms differ by industry and region, and ESG norms may evolve over time. An investment that is classified as ESG today may cease to be considered so in the future. More information about Betterment's Socially Responsible Investing options can be found in the product disclosures on Betterment's online interface.

B. Crypto-Specific Risks

Cryptocurrencies and Crypto Assets. Crypto assets (including crypto ETFs that hold crypto assets) represent a speculative investment and involve a high degree of risk. Supply of crypto assets is generally determined by a computer code, not by a central bank or identifiable legal entity, and prices can be extremely volatile. Cryptocurrency and crypto asset exchanges have been closed due to fraud, failure, security breaches, and legal noncompliance. Several factors may affect the price of cryptocurrencies and crypto assets, including, but not limited to supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of crypto or the use of crypto as a form of payment. There is no assurance that cryptocurrencies and/or crypto assets will maintain their long-term value in terms of purchasing power in the future, or that acceptance of cryptocurrency payments by mainstream retail merchants and commercial businesses will grow. Some risks particular to crypto assets include:

- *Volatility:* Crypto assets generally are highly volatile and speculative. The prior performance of a crypto asset is not necessarily indicative of future results. Many crypto assets have experienced high levels of performance and rapid increases in price, followed by significant downturns in performance and similarly rapid decreases in price.
- *Limited Investment history:* Crypto assets have only emerged as an investment opportunity in the past several years and are thus a relatively untested source of returns. It is unclear what the long-term profitability of crypto assets will be, and their short history thus far is particularly unreliable for predicting future success.
- *Technology Risk:* Cryptocurrencies and crypto assets are created, issued, transmitted, and stored according to protocols run by computers in the cryptocurrency and crypto assets network. It is possible these protocols have undiscovered flaws which could result in the loss of some or all client assets. There may also be network scale attacks against these protocols that result in the loss of some or all client assets. Some assets may be created, issued, or transmitted using experimental cryptography that could have underlying flaws. Advancements in quantum computing and artificial intelligence could lead to the breakdown of the sophisticated cryptographic protocols used for managing crypto assets.
- *Blockchain Risk:* Certain crypto assets rely on or are built on a public or third-party blockchain, and the success of such blockchain is likely to have a direct impact on the success of the crypto assets, as well as the success of other blockchain and decentralized data storage systems that are being used by the crypto assets. There is no guarantee that any of these systems or their sponsors will continue to exist or be successful.

Crypto Regulatory Risk: There is significant uncertainty regarding the regulatory treatment of crypto assets in the U.S. As a result, many crypto assets are either unregulated or in the early stages of regulation by U.S. federal and state governments and self-regulatory organizations. As crypto assets have grown in popularity, certain U.S. agencies, such as the SEC, the Financial Crimes Enforcement Network and other offices within the U.S. Treasury Department, and the Commodity Futures Trading Commission (“CFTC”), have begun to examine crypto assets and entities that operate within the crypto asset ecosystem in depth. The SEC views a significant portion of crypto assets as securities and has been involved in multiple enforcement actions, settlements, and federal court cases regarding the regulatory status of crypto assets, their issuers, and intermediaries involved in the industry. The CFTC has declared that certain crypto assets (such as Bitcoin) are commodities and regulates certain margin transactions in such assets as well as derivatives referencing crypto assets.

C. Other Risks for all Portfolios

There are additional risks and uncertainties an investor should consider, including but not limited to: credit risk, emerging market risk, operational risk, as well as reputational risk. There also are risks that we are unaware of, or that we currently see as immaterial, but may impact your investment. Clients should read Betterment’s entire Form ADV Brochure, Wrap Program

Brochure Appendix, as well as other materials provided by Betterment when deciding whether to use Betterment's services.

Item 9 - Disciplinary Information

On April 18, 2023, Betterment reached a settlement with the Securities and Exchange Commission (the "SEC"). Without admitting or denying the findings, Betterment consented to the entry of an order that states that with respect to Betterment's tax loss harvesting feature ("TLH"), from 2016 to 2019, individual client portfolios were scanned every other trading day despite references to "daily" scans in certain materials. Additionally, the order states that Betterment's disclosures did not adequately reflect that electing different portfolio strategies across investing goals will, depending on the securities held in an account and market conditions, result in fewer harvests than if a client elects the same portfolio strategy for all of their goals. The order also states that two coding errors caused TLH not to operate for a limited number of customers before 2019.

Additionally, the order states that Betterment did not maintain accurate records regarding clients' election of TLH and selection of portfolio strategies, that Betterment did not provide advance notice to clients of material changes to its advisory agreement, and that Betterment did not adopt policies and procedures reasonably designed to ensure disclosures regarding its algorithms were accurate. The settlement order states that Betterment violated Sections 204, 206(2), and 206(4) of the Investment Advisers Act of 1940 and related rules. Betterment consented to the entry of the SEC's order censuring it, requiring it to cease and desist from further violations, and imposing a \$9 million penalty that was used to compensate affected clients.

Item 10 - Other Financial Industry Activities and Affiliations

Betterment is a wholly owned subsidiary of Holdings, which is also the parent company of Betterment Securities, Betterment for Business LLC, and Betterment Financial LLC.

Betterment Securities, Betterment's affiliate, provides custody and execution services for wrap fee program accounts. Betterment Securities is a broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA") and a member of SIPC. Betterment Securities acts as carrying broker-dealer to serve Betterment's clients. Betterment manages and directs Betterment Securities to trade client assets pursuant to discretionary authority granted by Betterment's clients through the Advisory Agreement. Betterment Securities exercises no discretion with respect to client accounts. Betterment Securities has entered into an agreement with Apex Clearing Corporation ("Apex"), pursuant to which Apex serves as its clearing broker. Betterment Securities instructs Apex to clear and settle Betterment's clients' transactions on an omnibus basis.

Betterment for Business LLC, Betterment's affiliate, provides administrative services such as recordkeeping, payroll integrations, and plan communications for employer sponsored retirement plans. Betterment for Business LLC acts as an administrator, recordkeeper, and, with respect to certain responsibilities, a 3(16) fiduciary under ERISA.

Betterment Financial LLC, Betterment's affiliate, makes available checking account services in partnership with a third-party, nbkc bank. Neither Betterment Financial LLC, nor any Betterment affiliate, is a bank.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Betterment maintains a Code of Ethics reasonably designed to help ensure we meet our fiduciary obligations to clients and to detect and prevent violations of securities laws. Betterment's Code of Ethics establishes standards of conduct for all officers and employees consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act.

A copy of Betterment's Code of Ethics is available to clients and prospective clients upon request by emailing support@betterment.com.

Betterment or individuals associated with Betterment are permitted to buy or sell assets identical to, or different from, those recommended to clients for their personal accounts. Individuals associated with Betterment are also Betterment clients. Additionally, any related person(s) could have an interest or position in certain assets which are also recommended to clients. In such instances, Betterment or its related persons, may have a financial incentive to buy or sell such assets for client accounts, although this incentive is limited because Betterment generally recommends highly liquid index funds to its clients and because client activity in such funds is unlikely to materially impact their price. Betterment endeavors to make decisions in the best interest of its clients, and to eliminate, mitigate, and/or disclose material conflicts of interest that arise between Betterment and clients. In order to monitor conflicts of interest, Betterment monitors non-discretionary transactions in the personal accounts of employees and contractors designated as "Access Persons". An Access Person must disclose on an initial and annual basis the holdings of all personal investment accounts, as well as all transactions in such accounts on a quarterly basis.

It is the express policy of Betterment that no person employed by Betterment use material, non-public information obtained during the course of their work in deciding whether to purchase or sell any asset prior to any pending transaction(s) being executed for an advisory account. This policy is intended to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

Item 12 - Brokerage Practices

A. Wrap Fee Program

In order to open a Wrap Fee Program account with Betterment, clients must establish a brokerage relationship with Betterment Securities, Betterment's affiliated broker-dealer. By entering into an Advisory Agreement with Betterment, clients authorize and direct Betterment to place all securities trades in their accounts through Betterment Securities. As such, Betterment Securities will maintain all client Wrap Fee Program accounts and execute all securities transactions in client accounts without separate commission costs or other fees. Betterment Securities exercises no discretion in determining if and when securities trades are placed; it places securities trades only at the direction of Betterment. Betterment's Best Execution Committee is responsible for overseeing trade execution, consistent with its charter and Betterment's trading policies. Betterment seeks to obtain best execution for clients' securities transactions, and Betterment's affiliates maintain procedures reasonably designed to obtain the best execution reasonably available under the circumstances at that time, although there can be no assurance that it can be obtained. Clients should understand that the appointment of Betterment Securities as the sole broker for their accounts under this Wrap Fee Program may result in disadvantages to the client as a possible result of less favorable executions than may be available through the use of a different broker-dealer. More information related to trading and custody of securities in the Wrap Fee Program can be found in the *Wrap Fee Program Appendix* in "Trade Execution, Account Maintenance, and Asset Custody" below.

B. Transfer Sweep Program

Betterment Securities operates a transfer sweep program ("TSP") where eligible client funds are contributed to, or received into, a non-interest bearing, FDIC-insured deposit account at one or more participating banks. Funds eligible for the TSP include, but are not limited to, deposits, withdrawals, and dividends, and remain in the TSP account for temporary periods while transfers or trades settle or when there has been a delay in completing transfers or trades. Betterment Securities receives payments from participating TSP banks based on certain balances maintained in those accounts. Betterment has a conflict of interest because it has an incentive to increase the balances in the TSP banks in order to increase the revenue Betterment Securities earns. Betterment does not exercise discretion over the period client funds are held at TSP banks, which is typically based on transaction processing times or other factors outside of Betterment's control, and is not influenced by these payments.

Order Aggregation

With respect to its Wrap Fee Program, Betterment places aggregated orders involving multiple Betterment accounts trading in the same securities. In conducting these transactions no client is favored over any other client and each client who participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order. Betterment or its

affiliates do not charge separate fees for any trade execution or custody service provided to clients.

Orders for the purchase or sale of securities are routed by Betterment Securities to Apex, for clearing and execution. Apex is entitled to receive payments or rebates on orders from Betterment Securities, but Apex does not pass on to Betterment Securities any portion of such payments. Similarly, Apex is entitled to receive 12b-1 fees for distribution from mutual funds that it purchases on behalf of Betterment clients, but Apex does not pass on to Betterment Securities any portion of such 12b-1 fees.

Research and Soft Dollar Benefits

Betterment has no soft-dollar arrangements and does not receive soft-dollar credits from brokers with whom client portfolio trades are executed.

Brokerage for Client Referrals

Betterment does not work with broker-dealers other than its affiliate, Betterment Securities, and Betterment does not receive client referrals from Betterment Securities.

Directed Brokerage

Betterment clients are required to maintain wrap accounts and execute Wrap Fee Program transactions through Betterment Securities. Betterment does not permit clients to direct brokerage transactions.

Item 13 - Review of Accounts

As part of all our service offerings, Betterment's software monitors client accounts on a periodic basis. Our algorithms are developed and overseen by our investment advisory personnel and EIC.

As described in the *Wrap Fee Program Brochure Appendix, Item 6, "Rebalancing and Dividend Reinvestment"*, and subject to the limitations referenced therein, on a periodic basis, Betterment's algorithms review clients' goals to assess whether their portfolios are within range of their Allocation and will seek to rebalance the portfolio if it deviates ("drifts") from this range. For certain goals, Betterment monitors accounts to determine whether a client is on or off track to meet a particular goal or whether, in Betterment's judgment, the client's chosen Allocation is too aggressive or conservative, and indicates the result of that monitoring through Betterment's online interface. Clients should be aware that their individual accounts are generally not actively monitored directly by investment advisory personnel. Betterment's investment tools are designed to provide clients with continuous access to account information through Betterment's online interface. Clients can utilize various tools on the interface to review their account and better understand their holdings and performance information. Clients also

receive periodic emails from Betterment with information about their accounts, material amendments to their client agreements, as well as links to account statements, and clients should review these emails carefully for relevant information about their accounts and Betterment's services.

Clients are directed on at least a quarterly basis to update their financial situation or investment preferences, and impose any reasonable restrictions on the management of their accounts. At any time, clients may update their financial profile and settings information in their account through Betterment's online interface.

Clients can log into their account through Betterment's online interface at any time to review their account. Clients receive monthly account statements from Betterment Securities. Participants with 401(k) accounts through Betterment at Work receive quarterly account statements from Betterment Securities. Betterment Securities also makes available trade confirmations and prospectuses to clients through the Betterment account interface, and, with clients' consent, Betterment Securities delivers these communications electronically to Betterment.

For Third-Party Advised Clients or clients receiving sub-advisory services from an Advisor that have been grandfathered through the Advisor Network matching service, clients' agreements with their Advisors govern any additional responsibilities for conducting reviews of clients' accounts that the Advisors may have.

Item 14 - Client Referrals and Other Compensation

Betterment offers compensation to current and prospective clients, affiliate marketers (including "bloggers"), solicitors (e.g., podcasters, influencers), and other strategic partners (e.g., payroll providers) who recommend Betterment and/or refer new clients for certain Betterment accounts (collectively, "Promoters"). The compensation received by certain Promoters for referring a Retail Client depends on the amount of that client's initial deposit and whether it is used to purchase securities in a Wrap Fee Program account or held as cash in Cash Reserve. The compensation received by a Promoter for referring a Retirement Plan Client depends on the number of Participants in the Plan and compensation can vary based on the time at which a plan is referred. The compensation received by certain Promoters for referring Third-Party Advised Clients depends on such referred clients' ongoing assets under management at Betterment. Current clients may refer new clients only through Betterment's Refer-a-Friend program, through which compensation is limited to short-term waivers of Betterment's advisory fee or promotional increases to Betterment's then-current Cash Reserve APY. New clients are advised of such compensation prior to opening an account. Betterment supervises the referral activities of current clients and Promoters. Due to compensation from Betterment, Promoters have an incentive to recommend Betterment, which is a conflict of interest. Betterment does not charge Clients a fee or additional cost for being referred to Betterment by a current client or other Promoter.

In addition, Betterment personnel are eligible for variable compensation based on the firm's growth. This compensation is based on firm-wide targets, individual targets, or both. Certain Betterment personnel are also compensated based on assets that they personally attract to the firm. Sales team members who support the Betterment Advisor Solutions and Betterment at Work offerings, and Betterment's Licensed Concierge Team, who provide clients specific guidance on transactions such as rollovers, receive incentive compensation based on revenue from assets (which depends on clients' chosen products or services), advisory firms, retirement plans brought to Betterment, or leads to bring retirement plans to Betterment. Customer support associates also receive compensation when they refer a client to the Licensed Concierge team. The marketing and solicitation activities of these individuals are supervised by Betterment. For additional information, see the Wrap Appendix, Item 9 below.

Item 15 - Custody

Betterment Securities provides custody and execution services for Betterment's Wrap Fee Program clients. As a condition of participating in Betterment's Wrap Fee Program, clients must open a brokerage account with Betterment Securities. Betterment manages and directs Betterment Securities to trade clients assets pursuant to the discretionary authority granted by Betterment's clients through the Advisory Agreement. To clear trades, Betterment Securities has entered into an agreement with Apex. Betterment Securities instructs Apex to clear and settle Betterment's clients' Wrap Fee Program transactions on an omnibus basis.

For purposes of the Advisers Act, Betterment has custody of client assets because Betterment has access to deduct its advisory fees directly from client assets.

Item 16 - Investment Discretion

Betterment's Wrap Fee Program is discretionary, meaning Betterment can buy and sell investments on behalf of each client when we determine it is appropriate to do so. Betterment provides clients with information about its offered portfolio strategies to inform their decision-making but does not make recommendations to clients that they invest in any particular strategy. Betterment trades in response to client actions (such as deposits or withdrawals, Allocation changes, or elections to exclude certain assets from your account), to rebalance client's portfolio, to reinvest dividends in connection with the Wrap Fee Program, or to otherwise further client's investment goals. Clients in the Wrap Fee Program can elect certain features, such as tax loss harvesting, to guide Betterment's management of their accounts.

Betterment Premium plan clients also receive discretionary investment management services from Betterment financial consultants on their wrap accounts, as described in more detail above in Item 7 and in the *Wrap Fee Program Brochure Appendix* attached below.

Betterment's Supplementary Services are non-discretionary investment advisory services, and clients choose whether to implement those recommendations in their accounts.

Item 17 - Voting Client Securities

With respect to the Wrap Fee Program, Betterment clients delegate the authority to receive and vote all proxies and related materials for any security held in Betterment accounts to Betterment. Betterment's Proxy Voting Committee is responsible for ensuring that proxy matters are conducted in the best interest of clients, consistent with its charter and Betterment's policies and procedures. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment currently selects for Betterment Constructed Portfolios (as defined above) and will abstain from voting on other securities, including but not limited to those securities only present in third-party portfolios, Advisor custom portfolios, or securities transferred to Betterment via ACATS, in each case that are not already supported in a Betterment Constructed Portfolio. If a security is present in Betterment Constructed Portfolios and outside of Betterment Constructed Portfolios, Betterment will vote on proxies associated with that security in all portfolios in which it is held. Betterment will abstain from voting on such proxies if it determines that abstaining is in the best interest of its clients. Clients may request information regarding how Betterment voted a client's proxies, and clients may request a copy of Betterment's proxy voting policies and procedures, which are updated from time to time, by emailing support@betterment.com.

Betterment Securities earns revenue from companies that issue proxies, for facilitating the processing and delivery of the proxies to Betterment's clients. The revenue earned by Betterment Securities is not contingent on whether or how proxies are voted by Betterment or its clients, and the identity of funds and other securities that Betterment includes in client accounts is not influenced by these payments.

Item 18 - Financial Information

Balance Sheet Requirement: Betterment does not require or solicit prepayment of more than \$1,200 in advisory fees per client, six months or more in advance. Therefore, Betterment is not required to include a financial statement.

Discretionary Authority: Betterment has discretionary authority to manage client assets. To the best of Betterment's knowledge, we are not aware of any financial condition that is reasonably likely to impair Betterment's ability to meet its contractual commitments to its clients.

Bankruptcy Petition: Betterment has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

* * * * *

Form ADV Part 2A – Appendix 1

BETTERMENT WRAP FEE BROCHURE

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December 20, 2024

This wrap fee program brochure provides information about the qualifications and business practices of Betterment LLC ("Betterment"), a registered investment adviser. Registration does not imply a certain level of skill or training but only indicates that Betterment has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact us at support@betterment.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Betterment is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Summary of Material Changes

On November 20, 2024, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect modifications to its advisory services with respect to crypto assets.

On June 3, 2024, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect that Betterment Checking account balances are not considered in the calculation of total account balances for purposes of determining whether a client is subject to Betterment's wrap fee of \$4 per month.

On April 25, 2024, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect that Retail Clients who elect to receive Betterment Premium Services on or after April 25, 2024 will pay a wrap fee of 0.65% of their account balance in annualized fees, which includes Betterment's 0.25% annualized wrap fee plus 0.40% for access to Premium Services provided by Betterment's team of financial consultants.

The most recent annual update of this Form ADV Part 2A Brochure and Wrap Program Appendix was on March 28, 2024. In that update, Betterment amended its advisory brochure on Form ADV Part 2A and Wrap Fee Program Appendix 1 to reflect minor changes for readability and consistency.

Item 3: Wrap Fee Brochure Table of Contents

| | |
|---|----|
| Form ADV Part 2A – Appendix 1 | 28 |
| Item 2: Summary of Material Changes | 29 |
| Item 3: Wrap Fee Brochure Table of Contents | 30 |
| Item 4: Services, Fees, and Compensation | 31 |
| Item 5: Account Requirements and Types of Clients | 41 |
| Item 6: Portfolio Manager Selection and Evaluation | 41 |
| Item 7: Client Information Provided to Portfolio Managers | 52 |
| Item 8: Client Contact with Portfolio Managers | 52 |
| Item 9: Additional Information | 53 |
| Form ADV Part 2B | 59 |

Item 4: Services, Fees, and Compensation

GENERAL INFORMATION

Betterment offers the Betterment Wrap Fee Program to prospective and current clients. Betterment, a limited liability company organized under Delaware law, is an SEC-registered investment adviser that maintains its principal office at 450 West 33rd Street, Floor 11, New York, NY 10001. Betterment is a sponsor of the Betterment Wrap Fee Program. If you have questions regarding the material contained herein, please contact Betterment at support@betterment.com.

PROGRAM DESCRIPTION AND INVESTMENT STRATEGY

Betterment generally offers investment advisory services over the internet and, for clients receiving Supplementary Services (as defined below), via phone or email communications with Betterment's financial consultants. This Wrap Fee Brochure is meant to help you understand the nature of the advisory services offered by Betterment, whether the advisory services offered by Betterment are right for you, and the potential conflicts of interest associated with your participation in the Betterment Wrap Fee Program. You should review it carefully.

Betterment offers investment advice to clients and manages assets through the Betterment Wrap Fee Program. A wrap fee program has a fee structure that provides clients with advisory and brokerage services for a bundled fee with no additional account activity charges for execution of trades. As such, Betterment charges clients (defined below) a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services associated with holding and trading securities provided by its affiliated broker-dealer, Betterment Securities. Please see Item 6 for additional information on brokerage considerations.

Betterment's Wrap Fee Program offers services to three types of clients: (1) a retail service whereby individuals, trusts, and other legal entities receive advisory services from Betterment (such clients are referred to as "Retail Clients"); (2) a platform whereby individuals, trusts, and other legal entities receive advisory services from Betterment and from an unaffiliated registered investment adviser or other provider of investment advice ("Advisor"), subject to Betterment's approval, with which the individual, trust or legal entity has an independent relationship (such clients are referred to as "Third-Party Advised Clients" and such business is referred to as "Betterment Advisor Solutions"); and (3) a platform whereby employer-sponsored retirement plans and plan participants ("Participants") receive 401(k) plan advisory services from Betterment, acting in an ERISA 3(38) fiduciary capacity, 401(k) recordkeeping and/or administrative services from our affiliate, Betterment for Business LLC (such employer clients are referred to as "Retirement Plan Clients", such business line, collectively with other employee financial wellness products, certain of which are offered through our retail service, "Betterment at Work"). Retail Clients, Third-Party Advised Clients, Retirement Plan Clients and Participants

are collectively referred to in this brochure as “clients.” Betterment additionally offers Retail Clients with a balance of at least \$100,000 in Betterment accounts (“Account Balance Threshold”) the opportunity to receive discretionary and non-discretionary advisory services over the phone, email, or other mediums from Betterment’s team of financial consultants through participation in Betterment’s “Betterment Premium” plan. Clients who do not participate in the Betterment Premium plan are referred to as participants in the “Betterment Digital” plan. Betterment reserves the right, in its sole discretion, to reduce or waive the Account Balance Threshold. The Account Balance Threshold does not include funds held in Betterment Advisor Solutions, Betterment at Work, or Betterment managed health savings accounts (“HSAs”) offered in partnership with Optum Bank (each as described below).

Betterment’s Wrap Fee Program is not designed to provide clients with a comprehensive financial plan and instead is built to advise clients on how to achieve discrete financial goals selected by the client. Betterment’s recommendations are highly dependent on receiving accurate information from clients. If clients provide Betterment with inaccurate information or fail to update promptly the information provided to Betterment when it changes, the quality and applicability of Betterment’s recommendations could be materially impacted.

In addition, there may be other information about a client’s personal financial situation that is not elicited through Betterment’s online interface that could inform Betterment’s advice if it were provided to Betterment. This is true even for clients who receive Supplementary Services (as defined below) and communicate with Betterment’s financial consultants via phone, video, or email. Similarly, not every piece of information that Betterment collects is factored into your investment advice. Clients should consider this limitation on Betterment’s service, which is a function of Betterment primarily providing an automated service.

Before depositing funds with Betterment, or in any investment or cash account, investors should consider paying off debt, particularly to ensure that minimum debt payments are made on time to avoid late payment penalties, extra interest, and higher finance charges. Investors should also consider prioritizing paying off high-interest debt, which typically is associated with credit card debt or unsubsidized student loan debt. Also, investors should consider the options that are available to them through workplace savings plans provided by their employers that may offer match programs.

BETTERMENT PREMIUM

Betterment Premium plan clients are eligible to schedule telephone consultations with a financial consultant, affiliated with Betterment, who will provide discretionary investment advice, non-discretionary investment advice, and/or personalized financial planning, including advice relating to debt, such as student loans and credit card debt, mortgages, savings, and retirement (including pensions and social security) and tax-related advice that does not constitute legal advice or advice requiring licensure as a Certified Public Accountant or IRS Enrolled Agent (such discretionary advice and non-discretionary advice, “Premium Services”).

Betterment also offers Retail Clients and Participants the ability to schedule consultations of non-discretionary advice delivered via telephone or other medium (such non-discretionary advice, “Supplementary Services”). Premium Services and Supplementary Services are designed to help clients articulate and quantify goals, organize financial data, identify needs and opportunities, evaluate alternative courses of actions, and determine whether and how Betterment can fit into clients’ broader financial plans. Betterment will base any such advice on information provided by clients regarding, among other things, their age, marital and family status, annual income, employment status, liquid net worth, debt and other investments, investment goals and investment experience during the financial consultation call, email or onboarding questionnaire. Betterment Premium plan Clients are also able to contact financial consultants via email in order to receive more discrete investment advice.

Participation in the Betterment Premium plan will entitle such clients to an unlimited (subject to scheduling availability) number of telephone consultations per year with a licensed Betterment financial consultant in order to receive Premium Services. Premium plan clients are responsible for scheduling such telephone consultations in order to receive such Premium Services. Betterment uses a team-based approach to providing Premium Services and Supplementary Services—if clients receive Premium Services and Supplementary Services on multiple occasions, they are likely to interact with multiple financial consultants. Financial consultants do not monitor client accounts in between consultations.

Information provided by Betterment to Premium plan clients via telephone consultations with financial consultants will be considered in the provision of Betterment’s discretionary advisory services, and financial consultants may modify Premium plan client accounts to reflect items discussed in such consultations. Betterment and the financial consultant have discretion over Premium plan client assets or accounts with respect to implementing any such recommendations, as described below in “Premium Authorized Actions”.

As a condition of receiving Premium Services, Premium plan clients grant financial consultants the authority to view, receive, access, provide instructions, and modify client’s account information in all communication mediums Betterment offers. Based on Premium plan client’s situation, as determined through questionnaires, written or verbal communications, or Premium plan client’s account information, financial consultants also have the authority to modify the Premium plan client’s investment selections, including but not limited to creating new goals, modifying existing goals, and adjusting such client’s settings (e.g., investment strategies, asset allocations, and enabling or disabling automated features). Premium plan clients also grant financial consultants the authority to view, receive, and access information about such clients’ external Connected Account(s), Betterment checking account, and Betterment 401(k) account, but financial consultants will not have the ability to provide instructions for, or modify, such accounts. The foregoing authorized actions are collectively, “Premium Authorized Actions”. Premium plan clients should not expect Premium Authorized Actions to be completed immediately following a discussion or communication with a financial consultant. Financial consultants will implement changes discussed via telephone consultations

or email in Premium plan client's account within a reasonable time period.

Betterment Premium plan clients may also individually, if they choose, undertake any of the foregoing Premium Authorized Actions, except for modifying investment strategies, which must be done in connection with a financial consultant. Financial consultants are also able to incorporate legacy assets transferred in-kind into the investment strategies of Premium plan clients.

ADDITIONAL ADVISORY SERVICES

In addition, Betterment provides certain Retirement Plan Clients the ability to elect to offer non-discretionary advice services via telephone or video consultations to their Participants ("Financial Coaching").

Information provided to 401(k) plan Participants by financial consultants solely in connection with Financial Coaching will not be considered in the provision of Betterment's discretionary advisory services unless Betterment's online interface solicits such information and the client also enters such information into Betterment's online interface. Betterment financial consultants will not monitor, or provide continuing advice on, accounts held at institutions other than Betterment.

Financial Coaching will not include, among other things, a comprehensive financial plan and certain investment topics, such as investments in real estate, that fall outside the scope of the Supplementary Services (as defined in Betterment's Form ADV Brochure). Any tax information provided by Betterment is for educational purposes only, and is not a substitute for the advice of a qualified tax advisor. You should consult with your tax advisor to discuss tax-related concerns.

There can be no assurances that any client's financial goals and objectives will be met through receipt of Supplementary Services. As with Betterment's Premium plan, Betterment uses a team-based approach to providing Supplementary Services—if clients receive Supplementary Services on multiple occasions, they are likely to interact with multiple financial consultants.

In addition, Betterment reserves the right, in its sole discretion, to offer any client, without charge, certain Supplementary Services through email or telephone communications, subject to the conditions and limitations described above. Clients are under no obligation to accept or follow any recommendations made by a financial consultant as part of the Supplementary Services. In connection with Supplementary Services, neither Betterment nor the financial consultant will have any discretion over client assets or accounts with respect to implementing any such recommendations.

Betterment previously offered to Retail Clients, regardless of account size, a matching service whereby Betterment provided such Retail Clients at their request, with the contact information of a dedicated third-party registered investment advisor on the Betterment Advisor Solutions platform that requested their contact information be made available, through the Betterment's

Advisor Network program. When a Retail Client elected to participate in the Advisor Network program, they received the names and contact information of one or more third-party B4A advisor(s) participating in the Advisor Network. After an initial phone call with such advisor(s), the Retail Client could enter into a separate agreement on such terms, including fee terms, as mutually agreed between such client and such advisor. Betterment did not receive any additional compensation from the Retail Client or the third-party advisor for providing this matching service, aside from Betterment's advisory fee. Betterment no longer offers the Betterment Advisor Network program to either third-party advisors on the B4A platform who may wish to participate in the Advisor Network, or to existing and new Retail Clients who may request to be connected with a third-party advisor. Betterment conducted an initial vetting of those firms participating as third-party advisors in the Advisor Network program and continues to conduct due diligence annually for those firms grandfathered into the program with existing Retail Client relationships from Advisor Network program recommendations.

FEES

A. Retail Clients

Betterment charges an asset-based wrap fee that covers the costs of its investment advisory services as well as associated trading and custody services provided by its affiliated broker-dealer, Betterment Securities. Betterment's asset-based wrap fees are calculated based on client's Total Account Balance (as defined below) as of the close of each calendar day, accrued daily, and typically charged as of the first business day following the end of each month.

Retail Clients pay a \$4 per month wrap fee for their Digital wrap accounts (\$48 annually). If at any point, a Retail Client's Total Account Balance exceeds \$20,000 or the Retail Client enables a monthly \$250 recurring deposit, that client will pay an annualized Digital wrap fee of 0.25% their Total Account Balance instead of the \$4 per month fee. If a Retail Client's Total Account Balance fluctuates over \$20,000 for any day in a given month, the Digital wrap fee for that day will be accrued based on the daily equivalent of the 0.25% annualized fee on the Total Account Balance rather than the daily equivalent of \$4 per month. For any day that a Retail Client's Total Account Balance is less than \$20,000 and that client does not otherwise qualify for the asset-based fee, they will be charged the daily equivalent of the \$4 monthly fee for that day. For clients with Total Account Balances around \$20,000, the monthly fee may be more than \$4 per month if on certain days the Total Account Balance exceeded \$20,000. "Total Account Balance" is the combined account balance of a Retail Client's Betterment wrap accounts in a "Household" (as that term is defined in the Advisory Agreement), inclusive of balances held in investment portfolios and Cash Reserve accounts. Betterment waives its wrap fee on Client account balances held in Cash Reserve. For more information on Betterment's pricing, please review www.betterment.com/pricing.

HSA accounts are subject to an annualized fee of 0.50% of their account balance, which includes Betterment's annualized wrap fee of 0.25% as well as an additional 0.25% asset-based fee for the HSA administrator. 401(k) accounts are subject to additional fees for recordkeeping services,

unless the plan sponsor has elected to allocate those fees to itself, as described below. For certain clients, Betterment's annualized wrap fee is reduced by discounts and other promotions, including those described below. Retail Clients who elect to receive Betterment Premium Services on or after April 25, 2024 will pay a wrap fee of 0.65% of their account balance in annualized fees, which includes Betterment's 0.25% annualized wrap fee plus 0.40% for access to Premium Services provided by Betterment's team of financial consultants. Betterment waives its wrap fee on account balances held in Cash Reserve. Betterment includes assets transferred in-kind to Betterment in its calculation of a client's account balance.

All of Betterment's asset-based fees for Retail Clients are subject to a 0.10% discount (the "Discount") on the portions of their balances above \$2 million, except for clients who receive specific fee discounts. Balances in a client's wrap account are counted towards the \$2 million threshold, but any funds in Cash Reserve and any 401(k) account through Betterment at Work are not subject to the Discount and are not included when determining its availability.

Betterment provides certain Supplementary Services to prospective participants in the wrap fee program without charge.

Clients grandfathered and participating in the Advisor Network program typically pay a separate fee to their third-party Advisor that Betterment debits from the Account and remits to the Advisor. Betterment does not receive any portion of the fees paid to a third-party Advisor.

B. Third-Party Advised Clients

Third-Party Advised Clients of Advisors associated with new advisory firms to the Betterment Advisor Solutions platform typically pay an annualized wrap fee that is tiered based on the aggregate balance of all of their Advisor's firm's client accounts at Betterment (not including funds held in Cash Reserve). That wrap fee currently either (i) ranges from 0.12% to 0.20% of account balances, determined based on the aggregate balance of all of Advisor's client accounts at Betterment, or (ii) is a flat fee of 0.25% or 0.30%, depending on client's Advisor. Negotiated reductions from these fees are available at Betterment's discretion. Advisors with clients on this pricing structure typically also pay a fixed monthly fee to Betterment.

Third-Party Advised Clients of Advisors associated with advisory firms that engaged Betterment before December 5, 2019, typically pay a wrap fee equal to 0.25% of their account balance for participation in the Wrap Fee Program, subject to the Discount.

Third-Party Advised Clients typically pay a separate fee to their Advisor that Betterment debits from the Account and remits to the Advisor. Betterment does not receive any portion of the fees paid to an Advisor.

Third-Party Advised Client's fees are accrued daily and typically charged as of the first business day following the end of each month or quarter.

C. Retirement Plan Clients

New Retirement Plan Clients typically pay an annualized wrap fee of 0.25% for participation in the Wrap Fee Program. New Retirement Plan Clients with an affiliated third-party advisor typically pay a reduced annualized wrap fee. Negotiated reductions from Betterment's annualized wrap fee are also available at Betterment's discretion. A plan sponsor may choose to allocate this fee to itself or to Participants. Betterment at Work services for 401(k) recordkeeping performed by Betterment for Business LLC are subject to a separate fee schedule. Retirement Plan Clients' fees are accrued daily over a quarter and typically charged as of the first business day following the end of each quarter. Betterment does not typically accept Retirement Plan Clients unless they also engage Betterment at Work for retirement plan recordkeeping services.

Price quotes are available at <https://www.betterment.com/work/pricing>, although the specific fees charged to individual Retirement Plan Clients vary. Retirement Plan Clients who engaged Betterment before January 1, 2017, generally pay different fees, which are sometimes lower than those paid by newer Retirement Plan Clients, for the services provided by Betterment at Work.

Consistent with its obligations under ERISA, Betterment provides certain information regarding Betterment at Work services and compensation to help Retirement Plan Clients and Participants understand the services we provide their 401(k) plan and review our compensation. Information surrounding the services Betterment provides and fees we receive is provided to Retirement Plan Clients and Participants when they begin their relationship with Betterment and thereafter at least annually.

Regardless of the balance in their retail accounts, clients who (i) are eligible to participate in a Betterment at Work 401(k) plan or (ii) maintain an Optum HSA pay Betterment's Digital fee of 0.25% of assets in their retail wrap account, rather than a \$4 per month fee. If a Participant's relationship with their employer ends and the Participant elects to rollover their Betterment 401(k) into a Betterment IRA, the former Participant will pay Betterment's \$4 per month fee on their wrap account, unless such their Total Account Balance exceeds \$20,000 or the former Participant takes certain other actions described above. If a client's Total Account Balance is less than \$20,000, the \$4 monthly fee in a Betterment IRA is likely to be greater than fees paid in their 401(k).

D. Client Fee Considerations

Clients should consider that, depending on the amount of activity in a client's account and the value of custodial, trade execution, advisory, and other services that are provided under the arrangement, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately or by others. The number of transactions made in clients' accounts, as well as the commissions that would be charged for each transaction at another

provider, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Since Betterment pays the transaction charges in clients' accounts, Betterment has a financial incentive to place fewer trades or trade less frequently.

Clients should also consider that Betterment receives different amounts of revenue (and incurs different costs) from clients participating in each Betterment service plan (i.e., Betterment Digital and Betterment Premium) and, as a result, Betterment has a financial incentive to recommend the higher priced plan (i.e., Betterment Premium). Retirement Plan Clients who choose also to become Retail Clients should consider that if the total fees that a client pays to Betterment or any of its affiliates as a Retirement Plan Client differs from the total fees the client pays as a Retail Client, Betterment will have an incentive to recommend such client invests funds in the program from which it expects to earn greater compensation. Clients also should consider whether paying for the Betterment Premium plan is most appropriate for their needs. Betterment reserves the right, at its sole discretion, to waive portions of its fees or offer pricing that differs from its standard fees.

Betterment's wrap fees are calculated based on client's Total Account Balance as of the close of each calendar day, accrued daily, and typically charged as of the first business day following the end of each month, or with respect to Retirement Plan Clients and certain Third-Party Advised Clients, accrued over a quarter and typically charged as of the first business day following the end of each quarter.

Typically on or around the first business day following the end of the applicable relevant period (month or quarter), Betterment instructs Betterment Securities to sell securities in an amount that will generate cash proceeds to satisfy a client's fee obligation. If a client's account includes mutual funds, due to small price fluctuations in mutual funds that occur on the transaction date, Betterment will accrue any fees over- or under-assessed and apply the difference to adjust the following period's fees. Betterment will automatically debit the prorated amounts of the fees from the assets in a client's account on a monthly or quarterly, as applicable, basis in arrears.

E. Satisfaction Guarantee

Betterment offers a Satisfaction Guarantee pursuant to its Wrap Fee Program to Retail Clients. If for any reason, a Retail Client who is subject to the Digital wrap fee of 0.25% is not completely satisfied with Betterment's Wrap Fee Program services, at that client's request, Betterment will waive its annualized Digital wrap fee of 0.25% on a client's Total Account Balance for an upcoming period of 90 days. The Satisfaction Guarantee applies only to the digital wrap fee charged by Betterment, and does not apply to balances subject to the Minimum Fee, cash held in Cash Reserve, Premium Services fees, or to balances held through Betterment Advisor Solutions or Betterment at Work. The Satisfaction Guarantee is not available to clients subject to the \$4 monthly fee.

No other fees, expenses, or market losses will be waived or reimbursed under this guarantee, including, but not limited to, the fees charged by issuers of particular securities and the fees charged by Advisors. Betterment reserves the right to discontinue or modify this guarantee in the future at any time in its sole discretion. The guarantee does not apply to Third-Party Advised Clients, or to Retirement Plan Clients or Participants.

OTHER COMPENSATION TO BETTERMENT AND ITS AFFILIATES

Betterment waives its wrap fee on funds held in Cash Reserve. Betterment receives payments from Cash Reserve Program Banks, which Betterment expects will result in annualized revenue of more than 0% but less than 1.00% of the average, aggregate balance of the daily program deposits at Program Banks (i.e., Betterment expects to earn less than 1.00% of the average balance across all Program Banks over any rolling 365-day period, even if payments to Betterment from Program Banks exceed the daily equivalent of 1.00% on a given day), inclusive of any promotional offers as described below. Additionally, third-party service providers receive compensation for providing operational and administrative services in connection with Cash Reserve.

The interest rate available on clients' deposit balances is determined by the amount Program Banks are willing to pay on deposits, minus the payments to Betterment and other service providers. Betterment will typically seek to set the amount of the payments it receives to minimize potential variations in the rate of interest received by each client, whether at the standard rate or at a promotional rate of interest. Payments to Betterment from Program Banks vary among banks and from day-to-day and may be waived by Betterment.

In connection with promotional offers, Betterment expects from time to time to waive a portion of the payments to which it is entitled from the Program Banks. Clients who qualify for any such promotion will receive a higher rate of interest on their deposits at the Program Banks than those clients who do not. If the interest rate on a client's deposit balances changes at the end of a calendar month on account of a promotion, and the last day of that month is not a business day, the change in interest rate will be reflected on the first business day of the following month. If an interest rate would have increased on a non-business day, a client may lose one or more days of interest at the higher rate until the next business day.

Betterment has a conflict of interest in setting the amount of payments it receives from Program Banks. Betterment could receive increased payments on a particular day without clients receiving an increased rate of interest. Further, clients should be aware that when payments to Betterment on Cash Reserve balances exceed Betterment's wrap fee (\$4 per month or 0.25% of account balance), Betterment will have a financial incentive to recommend that clients hold cash. Conversely, when payments to Betterment on Cash Reserve balances are less than Betterment's standard wrap fee, Betterment will have a financial incentive to recommend that clients invest in securities. Depending on the current amount of payments it receives from Program Banks, Betterment's financial incentive to recommend that clients invest

in securities or hold cash will differ based on whether a client is receiving a promotional interest rate on Cash Reserve balances or the standard interest rate. Promotions generally provide incentives for clients to maintain more assets in their account than otherwise would be the case, and favor clients with the ability to maintain greater amounts of assets in their accounts.

Betterment Securities operates a transfer sweep program (“TSP”) where eligible client funds are contributed to, or received into, a non-interest bearing, FDIC-insured deposit account at one or more participating banks. Funds eligible for the TSP include, but are not limited to, deposits, withdrawals, and dividends, and remain in the TSP account for temporary periods while transfers or trades settle or when there has been a delay in completing transfers or trades. Betterment Securities receives payments from participating TSP banks based on certain balances maintained in those accounts. Betterment has a conflict of interest because it has an incentive to increase the balances in the TSP banks in order to increase the revenue Betterment Securities earns. Betterment does not exercise discretion over the period client funds are held at TSP banks, which is typically based on transaction processing times or other factors outside of Betterment’s control, and is not influenced by these payments.

Betterment Securities charges a fee of \$75 per transfer for the full or partial transfer to another brokerage firm of any Account.

Betterment receives compensation in the form of a flat, one-time payment from Ascensus for each new 529 account opened and funded by a Betterment client who elects an Ascensus-supported 529 plan that participates in our 529 offering. This is a conflict of interest in that Betterment receives a financial benefit when clients open and fund a 529 account with certain 529 plans but not others.

Betterment periodically enters into arrangements with third-party providers of goods and services under which Betterment receives payments in exchange for referring clients to such third-party providers. Betterment will disclose the existence of any such payments, as well as any conflicts of interest, at the time that Betterment refers a client to the third-party provider.

ADDITIONAL COMPENSATION TO THIRD PARTIES

All fees paid to Betterment for investment advisory services are separate and distinct from the fees and expenses charged by the Funds to their shareholders. These fees and expenses are described in each Fund’s prospectus, which are available in the “Portfolio” tab of the online interface and are embedded in the securities purchased on clients’ behalf. These Fund fees are generally composed of a management fee and other Fund expenses. Betterment and its affiliates do not earn or receive a portion of such Fund fees. Please see Item 6 for more information about portfolio construction.

As noted above, Third-Party Advised Clients, and Retail Clients grandfathered and participating in the Advisor Network program, pay their Advisor a separate fee; Betterment does not receive

any portion of this fee. As part of the Betterment at Work services, Betterment for Business LLC charges Retirement Plan Clients separate fees for certain administrative tasks and services related to plan administration (e.g., Participant loans). Retirement Plan Clients may also pay a third-party administrator to perform certain services. Betterment does not receive any portion of fees paid to a third-party administrator.

Item 5: Account Requirements and Types of Clients

Betterment's clients include individuals, trusts, employer-sponsored plans (and their Participants) and other legal entities (subject to Betterment's approval) who are U.S. residents and maintain a checking account with a U.S. bank. There is no minimum account size to maintain an account with the Betterment Digital plan. A balance of at least \$100,000 is required to be eligible to participate in the Betterment Premium plan. This Account Balance Threshold does not include funds held in Betterment Advisor Solutions, Betterment at Work, or Betterment managed HSAs offered in partnership with Optum Bank. The minimum deposit is \$10. All Retail Clients and Third-Party Advised Clients execute an Advisory Agreement with Betterment and a Brokerage Agreement with Betterment Securities. Third-Party Advised Clients have an independent contractual relationship with an Advisor. Retirement Plan Clients must also execute a Master Services Agreement with the Betterment Entities.

Item 6: Portfolio Manager Selection and Evaluation

SUMMARY

Betterment provides discretionary and non-discretionary investment management services as explained in further detail below. Retail Client accounts are managed by Betterment pursuant to each client's Advisory Agreement and the client's instructions. Third-Party Advised Client accounts are managed by Betterment pursuant to each client's Betterment Advisor Solutions Sub-Advisory Agreement and in conjunction with the Advisor's and/or Third-Party Advised Client's instructions. Retirement Plan Client accounts are managed by Betterment, in its capacity as an ERISA 3(38) investment manager, pursuant to an Advisory Agreement specific to the Retirement Plan Client's employer-sponsored 401(k) plan, as well as Participants' instructions.

PORTFOLIO STRATEGIES

Betterment currently offers several investment portfolio strategies to Retail, Retirement Plan, and Third-Party Advised Clients, subject to limitations on availability as described below. Betterment's EIC is responsible for Betterment's investment strategy, portfolio management, advice, and financial planning models, consistent with its charter and Betterment's policies. The EIC determines which portfolio strategies to offer to clients directly and through Advisors and oversees each portfolio strategy, except to the extent described below. Betterment currently makes available to clients three categories of investing portfolio strategies and a cash management program through the Wrap Program:

A. Betterment Constructed Portfolios

Betterment Constructed Portfolios are portfolios composed of securities for which Betterment selects the underlying securities and weightings of those securities associated with particular Allocations. Betterment Constructed Portfolios are composed of publicly traded ETFs. The selection process for Betterment Constructed Portfolios is intended to satisfy a broad set of potential client financial goals, including but not limited to maximizing returns, minimizing investment costs, limiting volatility, diversifying investments, and/or targeting particular investment exposures. Betterment makes available Betterment Constructed Portfolios to Retail Clients, Retirement Plan Clients, and Third-Party Advised Clients. Descriptions of the current Betterment Constructed Portfolios are available on the Website, and are subject to change. More information about Betterment's Constructed Portfolio strategies can be found in Betterment's online interface and in its publicly available portfolio strategy disclosures.

B. Third-Party Portfolios

Betterment also offers Retail Clients, Retirement Plan Clients, and Third-Party Advised Clients the opportunity to select certain portfolio strategies that are constructed and updated by third-party managers, such as BlackRock, GSAM, Vanguard, and Dimensional Fund Advisors ("Third-Party Portfolios"). Betterment does not select the underlying securities in Third-Party Portfolios but periodically reviews the Third-Party Portfolios to ensure that they remain consistent with the portfolio objectives identified by the third-party manager.

Third-Party Portfolios include ETFs sponsored by the third-party manager or an affiliate thereof, for which the manager or its affiliate receives fees. Each such third-party manager is therefore subject to a conflict of interest in that it is incentivized to include such affiliated ETFs in constructing such portfolios. Furthermore, to the extent any Third-Party Portfolio is updated by the applicable third-party manager, such updates are delivered to Betterment and updated after such updates are delivered to other users of such Third-Party Portfolio (including affiliates of the relevant manager). Clients should also understand that certain of Betterment's services are restricted or operate differently for clients who elect a Third-Party Portfolio as compared to Betterment's Core portfolio strategy. Third-Party Advised Clients should consult their Advisor for additional information about any other Third-Party Portfolios available to them. More information about Betterment's Third-Party Portfolios can be found in Betterment's online interface and in our publicly available portfolio strategy disclosures.

C. Custom Portfolios

Betterment also offers Advisors the ability to construct their own Advisor-designed custom portfolios (each a "Custom Portfolio") available to Third-Party Advised Clients. A Custom Portfolio consists of a set or multiple sets of securities, cash, or other assets, and allocations with capital markets assumptions provided by the Advisor to Betterment (although, in certain cases, Betterment will make its capital market assumption defaults available to the Advisor to

review and confirm). Betterment continues to manage the accounts of Third-Party Advised Clients who elect a Custom Portfolio on a discretionary basis. For any Third-Party Advised Client who elects a Custom Portfolio, Betterment will allocate the client's assets in accordance with the Custom Portfolio. For Custom Portfolios, the Advisor and not Betterment is responsible for ensuring the Custom Portfolio (1) is suitable for its Third-Party Advised Clients, and (2) is constructed and updated in a manner consistent with the Third-Party Advised Client's financial situation and investment objectives. Betterment's portfolio management tools, such as TLH+, rebalancing, and tax coordination, work differently for Custom Portfolios, and Advised Clients should discuss these differences with their Advisor.

Betterment does not independently review and/or approve Advisor-designed Custom Portfolios. Betterment's EIC has determined to make Custom Portfolio functionality available to Advisors but does not determine which Custom Portfolios may be offered to clients or oversee each Custom Portfolio strategy. Third-Party Advised Clients should consult their Advisor for additional information about Custom Portfolios available to them, including whether any of Betterment's advice or portfolio management services are restricted or operate differently for a Custom Portfolio as compared to Betterment's Core portfolio strategy.

D. Cash Reserve

Betterment also offers Retail and Third-Party Advised Clients the opportunity to participate in Cash Reserve, a program in which Betterment directs client funds among interest-bearing, FDIC-insured deposit accounts at banks that agree to accept funds through the program ("Program Banks"). The rates of interest paid by each Program Bank will differ. Betterment does not guarantee that any client will receive a specified average or composite interest rate on funds invested through the program.

Betterment will endeavor to achieve, on each day, the same average rate of interest across all clients' balances in the program (except for clients for whom Betterment waives a portion of its payments from the Program Banks in connection with a promotion), subject to certain client-specific factors. Such factors will include the client-imposed limitations set forth below. In allocating funds to the deposit accounts, Betterment considers a number of factors, including: (1) FDIC coverage on deposits held through Cash Reserve only (up to \$250,000 per Program Bank for each FDIC insurable ownership category—e.g., individual or joint—offered by Betterment) (as limited by clients' decisions to opt out of particular Program Banks); (2) a client's instruction to opt out of particular Program Banks; (3) maximum or minimum capacity constraints imposed by particular Program Banks as a condition of their participation in Cash Reserve; and (4) aggregate client funds in Cash Reserve. A client could receive a lower average rate of interest than they would otherwise receive as a result of the application of one or more of these factors. Betterment reserves the right, in its discretion, to impose conditions on clients' ability to opt out of Program Banks, including by requiring clients to furnish proof that they maintain balances in other accounts at such Program Banks.

Client funds are held at Program Banks through omnibus accounts in the name of Betterment Securities, on behalf of Betterment clients. Betterment Securities maintains records of each client's deposits in Cash Reserve. More information about Cash Reserve, including the timing of transactions, is available at <https://www.betterment.com/legal/cash-reserve>. Betterment retains ongoing discretion to direct client funds held through Cash Reserve into ETFs or other securities in addition to, or instead of, among Program Banks. Participating clients would be notified of any such change.

ADVICE FRAMEWORK

To use Betterment's services, clients and/or their Advisors must inform Betterment of their financial situation and preferences through Betterment's online applications. Based on this information, Betterment will recommend clients an asset allocation of stock to bonds for the selected portfolio strategy, or if a Third-Party Advised Client, the Advisor will recommend their clients an asset allocation based on the selected portfolio strategy or Custom Portfolio.

A. Advice Type

Betterment organizes its advice into an advice type framework that generally falls into five investing categories – education, retirement, emergency fund, major purchase, and general investing – each with different attributes and a discrete advice model (a “goal”). Clients can select multiple goals within their account. After identifying an advice type, clients or their Advisors select a portfolio strategy and provide details about their investing purpose. For example, clients or Advisors can input a goal time horizon and/or edit their desired Allocation (defined below). For complex goal types like retirement, Betterment's advice model factors in other variables such as, but not limited to, the impact of Social Security, tax rates, inflation, and anticipated future spending based on current employment and geographic location.

B. Allocation

Betterment solicits input on a client's anticipated time horizon, in conjunction with the advice type as described above, in order to recommend an allocation, which is a specific set of asset classes (i.e., stocks, bonds, and if applicable, other asset classes) and the relative distribution among those asset classes in which a client's account will be invested (the “Allocation”), or if the client does not have a time horizon input associated with the advice type (i.e., general investing), Betterment allows clients to adjust an Allocation to their own risk preference and provides information about the corresponding time horizon. As described above, for Betterment Constructed Portfolios, Betterment determines the specific securities that compose an asset class for an Allocation, and Betterment reserves the right to change the specific assets within an asset class without notice to clients as determined in good faith for the benefit of clients. Clients can also elect an investment portfolio that is targeted to a particular investment exposure, such as crypto ETFs. For investment portfolios with targeted exposures, Betterment provides clients information about the portfolio's intended purpose but does not recommend to

the client that they invest in the portfolio. For Third-Party Portfolios and Custom Portfolios, Betterment receives Allocation updates from the third-party provider or Advisor and updates the Allocations into Betterment's portfolio management software, but Betterment does not determine the specific securities or Allocations that make up these portfolios.

An Allocation may differ depending on whether a client's goal is taxable or tax-advantaged, the selected portfolio strategy, and when the client expects to draw on their goal. In general, Betterment will recommend to clients who indicate a more conservative advice type (such as an emergency fund) or shorter time horizon a more conservative Allocation and will recommend to clients who indicate a more aggressive investment advice type or longer time horizon a more aggressive Allocation. Clients and/or their Advisor either accept the recommended Allocation or elect a different Allocation based on their or their client's own risk tolerance or preferences, as well as impose reasonable restrictions on the management of their portfolios.

Betterment gives clients and Advisors real-time feedback on their selected Allocations by providing estimated performance figures in the interface, customized to the individual client's goal. Forward projections can vary based on scheduled recurring deposits, scheduled one-time deposits, goal time horizon, and for retirement goals, tax filing status, location (zip code), and employment. Betterment projects estimated performance based on client inputs and assumptions for anticipated market returns, volatility, risk-free rates, future tax rates, and expected inflation. Forward projections regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

Except for general investing and emergency fund advice types where the client does not specify a time horizon, Betterment offers a feature to automatically adjust client allocations to be more conservative as their goal time horizons approach (such feature, "auto-adjust"). Auto-adjust is automatically enabled when a client or their Advisor elects Betterment's recommended Allocation for an eligible goal and portfolio strategy. With auto-adjust enabled, the default Allocation of a goal will automatically adjust to be increasingly more conservative as the client approaches their goal's target date. For clients who elect a different Allocation from Betterment's recommended Allocation or elect to disable the auto-adjust feature, Betterment will not automatically adjust the applicable Allocations based on the passage of time. Betterment will, however, automatically and periodically adjust the Allocations of Participants who have not exercised control over their employer-sponsored accounts to match Betterment's recommendations for those accounts.

ONGOING MANAGEMENT

A. Rebalancing and Dividend Reinvestment

Betterment's portfolio management tools include automated rebalancing and automatic dividend reinvestment. Rebalancing is a Betterment feature that seeks to reduce drift in client

portfolios. Betterment performs two types of rebalancing on clients' behalf. First, in response to cash flows such as deposits, withdrawals, and dividend reinvestments, Betterment buys underweight holdings and sells overweight holdings. Second, if cash flows are not sufficient to keep a client's portfolio within its applicable drift tolerance (generally 3% for stock and bond ETF portfolios, 5% for portfolios containing mutual funds, and 7% for the Crypto ETF portfolio, which parameters are all subject to change without notice, and can be further customized by Advisors of Third-Party Advised Clients), automated rebalancing sells overweight holdings in order to buy underweight ones, aligning the portfolio more closely with its target Allocation. Clients can request to have Betterment only rebalance their portfolio in response to cash flows. Rebalancing requires a minimum portfolio balance (clients can review the estimated balance at www.betterment.com/legal/portfolio-minimum). The rebalancing algorithm is also calibrated to avoid frequent small rebalance transactions and to seek tax efficient outcomes, such as preventing wash sales and minimizing short-term capital gains. When Betterment's trading algorithm evaluates client accounts for tax loss harvesting and rebalancing opportunities, it generally prioritizes identifying potential tax loss harvests ahead of potential rebalancing opportunities, and not all client goals are guaranteed to be evaluated on any given day for either tax loss harvesting or rebalancing. Betterment has discretion to limit or postpone rebalancing in order to prioritize other trading activity on any given day, including days where extreme market conditions produce a higher volume of trading. Betterment also reserves the right to disable automated rebalancing on client goals when it determines that doing so is in clients' interests, such as to manage potential tax impacts during a portfolio strategy transition.

For Third-Party Advised Clients, Advisors can customize the drift tolerance thresholds for their client's portfolio. Advisors also have access to Betterment's smart transitions features, which allow Advisors to further customize rebalancing settings and set an annual account gains realization allowance. When clients or their Advisors make an allocation change or elect to change their investment strategy, Betterment rebalances that client's goal, which can result in the realization of both short- and long-term capital gains or losses for any securities that are sold.

To participate in Betterment's offerings, clients agree to have their dividends automatically reinvested in accordance with their Allocation.

B. Tax Saving Strategies

Betterment offers optional tax loss harvesting ("TLH") and tax coordinated asset location ("Tax Coordination"). The value provided by these optional services will vary depending on each investor's personal circumstances, and clients should carefully read Betterment's disclosures for each of these services, and the documents linked therein, before enabling them. Clients should understand that Betterment has discretion to limit or postpone tax loss harvesting in order to prioritize other trading activity on any given day, including days where extreme market conditions produce a higher volume of trading.

Clients should also be aware that electing different portfolio strategies across their investing goals will, depending on the securities held in an account and market conditions, cause the tax loss harvesting algorithm to identify fewer opportunities to harvest losses than it would if a client elects the same portfolio strategy for all of their goals. The tax loss harvesting algorithm is designed to reduce the potential for wash sales and permanently disallowed losses for such clients by seeking to avoid harvests in asset classes where there is overlap between one or more securities in the portfolio strategies elected.

The TLH Disclosure Statement is available at <https://www.betterment.com/legal/tlh-disclosure/> and the Tax Coordination Disclosure Statement is available at <https://www.betterment.com/legal/tax-coordination>. For the avoidance of doubt, Betterment's TLH and Tax Coordination services are not designed to, and do not, provide comprehensive tax advice to clients. Clients are solely responsible for the determination of whether, and when, to enable these features in their accounts, as well as any tax consequences arising from any transaction associated with these features.

C. Connected Accounts

Betterment provides clients the opportunity to link external accounts to Betterment via Betterment's online interface (such accounts, "Connected Accounts"). Clients can also link Connected Accounts to a specific Betterment goal within the interface. Betterment's investment advice will not base its recommendations on Connected Accounts except as specifically disclosed in the interface.

Connected Accounts, including those with debt, are reflected in the summary presentation of a client's profile in Betterment's online interface but are not associated with any particular portfolio or investment goal unless a client has elected to link a Connected Account to a specific goal in the interface. Betterment does not otherwise collect information that would allow it to provide advice on Connected Accounts with debt. Betterment also offers employees of Betterment at Work employers the ability to integrate certain externally managed, Ascensus-supported 529 accounts and make contributions through payroll deductions, employer match (if applicable), and/or a linked checking account, as described in more detail below.

Clients should also understand that entries made in Betterment's Investing Journal feature, which allows clients to record notations concerning the context for specific transactions, are not directly incorporated into Betterment's advice to individual clients. The Investing Journal feature is instead designed to provide clients with a place to create notations for their own reference and to allow Betterment to collect information that can be used to improve its overall offering.

USE OF ALGORITHMS

Betterment uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. When a Retail Client or Retirement Plan Participant creates a Betterment account, identifies an investing goal and/or time horizon, and selects a Betterment Constructed Portfolio strategy, an algorithm, developed by Betterment's investment advisory personnel, determines Betterment's recommended Allocation based on these inputs from the Client. Betterment does not recommend an allocation for Third-Party Advised Clients, who are instead recommended an allocation by their Advisor. Algorithms also generate advice regarding other investment decisions, including but not limited to Allocation selection, savings and withdrawal rates, automated rebalancing, and account type selection.

When clients make deposits or withdrawals from investing goals, elect to change portfolio strategies, or donate shares, an algorithm determines the specific securities to trade based on a client's Allocation, current tax lots, and other directions that they have provided to Betterment. If clients opt into Betterment's TLH or Tax Coordination services, algorithms also determine the specific trades that are made in a client's account to effect such services, described in more detail in each product disclosure. Algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. Betterment periodically modifies its algorithms, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. Betterment conducts testing designed to ensure that our algorithms continue to function as intended when new code is introduced and existing code is updated. Although such testing is intended to ensure that code changes do not create unintended consequences, clients should understand that testing, no matter how comprehensive, cannot guarantee the absence of code-related issues with our algorithms. In the event of a software malfunction or other error that results in client losses, Betterment will review and remediate the software exception or other error, and if appropriate, will compensate clients for losses caused by Betterment, subject to a \$10 de minimis loss threshold.

The algorithms described above will generate recommendations only from information that is input into the algorithm. Betterment does not provide a comprehensive financial plan and although Betterment collects a variety of information from clients, individualized information about every aspect of a client's personal financial situation is not elicited through Betterment's online interface, and therefore, not considered by Betterment's algorithms. Clients should be aware of this limitation when considering Betterment's service.

TRADE EXECUTION, ACCOUNT MAINTENANCE, AND ASSET CUSTODY

In order to open a Wrap Fee Program account with Betterment, clients must establish a brokerage relationship with Betterment Securities, an affiliated broker-dealer registered with the SEC and a member of FINRA and SIPC. By entering into an Advisory Agreement with Betterment, clients authorize and direct Betterment to place all trades in their accounts through Betterment Securities. As such, Betterment Securities will maintain all client accounts and

execute all securities transactions in client accounts without separate commission costs or other fees. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment.

Betterment's Best Execution Committee is responsible for overseeing trade execution, consistent with its charter and Betterment's trading policies. Betterment seeks to obtain best execution for clients' securities transactions and its affiliates maintain procedures reasonably designed to obtain the best execution reasonably available under the circumstances at that time, although there can be no assurance that it can be obtained. Clients should understand that the appointment of Betterment Securities as the sole broker for their accounts under this Wrap Fee Program may result in disadvantages to the client as a possible result of less favorable executions than may be available through the use of a different broker-dealer.

Clients should understand the Betterment Wrap Fee Program is a discretionary investment advisory program (except for advice provided through Supplementary Services, which is non-discretionary), and not a self-directed brokerage service. Unlike self-directed brokerage accounts, Betterment clients do not enter individual buy and sell orders for specific securities to be executed at particular times. Rather, Betterment places orders to buy and/or sell securities with Betterment Securities consistent with the discretionary authority granted to it by clients, which includes, among other things, the authority to select which securities to buy and sell and when to place orders for the execution of securities. If you want to control the specific time during the day that securities are bought and sold in your account (e.g., you want the ability to "time the market"), you should not use Betterment's service.

Betterment trades in client accounts for any number of reasons, including in response to client actions such as asset Allocation changes, deposits, or withdrawals. Betterment also trades in order to rebalance client accounts, to change investment options, or otherwise to further the investment objectives that clients specify via Betterment's online interface.

Subject to Betterment's trading policies, described in this section, Betterment generally trades on the same business day. However, transactions will be subject to processing delays in certain circumstances. For example, orders initiated on non-business days and after markets close generally will not transact until the next business day, and halted securities will generally not transact until the exchange resumes trading in those securities. Additionally, actions for portfolios that incorporate mutual funds taken in the Interface after noon Eastern typically will result in trades being placed on the following business day. Betterment maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any U.S. market session to avoid periods of market instability, which are common during this time. Betterment generally stops placing orders arising from Allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. This time period, during which

markets often exhibit instability, is typically fifteen to thirty minutes before and after such announcements. Betterment also reserves the right to postpone trades in order to modulate its overall trading volume on a particular business day. Further, account deposits are automatically subject to a processing period that could be up to five business days or longer; deposit-related transactions will not occur until the next business day after this processing period is complete.

In addition, Betterment reserves the right, at any time and without notice, to delay or manage trading in response to market instability. Betterment delays or manages trading when it determines it is appropriate to respond to extraordinary circumstances of market instability, as evidenced by extreme instances of elevated localized volatility (i.e., minute-to-minute spikes in implied volatility), insufficient or unstable market depth, price dislocation, incomplete execution, fast markets, rapidly widening bid-ask spreads, and halted securities (as determined by the exchange). In the event Betterment delays placing orders in response to extraordinary market volatility for greater than sixty consecutive minutes during Betterment's typical trading hours of 10:00 a.m. to 4:00 p.m. Eastern, Betterment will undertake to provide notice of such delay to Clients (Retail and Third-Party Advised) and Participants by posting a message via Betterment's online interface and, separately, to Advisors on the Betterment Advisor Solutions platform via email. For the avoidance of doubt, Betterment does not delay or manage trading based on any view about whether markets are likely to rise or fall.

Clients' access to their funds are generally not affected by Betterment's trade management practices, including decisions to delay intra-day trading during extraordinary circumstances of market instability. Deposits to and withdrawals from Betterment are independent of the time of day a trade occurs.

Betterment places aggregated orders involving multiple Betterment accounts trading in the same securities. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order. Betterment or its affiliates do not charge separate fees for any trade execution or custody service provided to clients.

Orders for the purchase or sale of securities are routed by Betterment Securities to Apex, the clearing broker used by Betterment Securities, for managed execution. Apex is entitled to receive payments or rebates on orders from Betterment Securities, but Apex does not pass on to Betterment Securities any portion of such payments.

Betterment maintains a policy for addressing trade errors, through which Betterment seeks to mitigate any associated harm from a trade error reasonably ascertainable at the time of mitigation to an affected client, consistent with Betterment's fiduciary duty. Betterment does not retain profits from correcting trade errors.

SERVICES SPECIFIC TO EMPLOYER-SPONSORED RETIREMENT PLAN CLIENTS

Under the Retirement Plan Investment Advisory Agreement, Betterment provides individual plan Participants with personalized advice. Plan Participants are not required to, but have the option of, becoming Retail Clients.

OTHER INFORMATION ABOUT BETTERMENT'S PORTFOLIO MANAGEMENT

*HSA*s. In partnership with Optum Bank, Betterment Retail Clients can elect to invest in an HSA account to save for medical costs. Optum Bank is a national HSA provider and member of the FDIC. Betterment provides discretionary investment advisory services to HSAs as part of its Wrap Fee Program.

Municipal Bonds. Clients with taxable accounts in eligible portfolio strategies who live in California or New York who have a balance of, or intent to fund, at least \$100,000 to their investing accounts, are provided the option to further customize their portfolios by adding exposure to California or New York municipal bonds, respectively, in lieu of national municipal bonds. Disclosures of the benefits and risks of adding state-specific municipal bond exposures are delivered to eligible clients when they contact Betterment customer support regarding this option. Funds held in Cash Reserve are not counted toward this \$100,000 threshold. Betterment does not currently offer clients who live in states other than California and New York the ability to tailor their account to include state-specific municipal bond exposure.

In-Kind Transfers. Betterment is currently able to accept the transfer of certain securities into client accounts. Once transferred to Betterment, Betterment's asset-based wrap fee will be assessed on any legacy assets that have been transferred into the portfolio, in addition to assets purchased by Betterment on client's behalf. Additional considerations related to the transfer of outside securities into a Betterment account, including but not limited to Betterment's ability to support transferred individual stocks, will be disclosed in Betterment's online interface before any such transfer takes place.

Charitable Contributions of Securities. Betterment offers clients with taxable accounts the opportunity to make charitable contributions by donating shares with long-term capital gains. Clients can donate to a select group of charities that have opened Betterment accounts. The charities pay a wrap fee only on the balance in their accounts above \$1 million and can withdraw funds at any time to maintain a balance that does not incur any fee. More information about charitable giving can be found in Betterment's online interface and in its publicly available product disclosure.

VOTING CLIENT SECURITIES

Betterment clients delegate the authority to receive and vote all proxies and related materials for any security held in Betterment accounts to Betterment. Betterment's Proxy Voting Committee is responsible for ensuring that proxy matters are conducted in the best interest of clients, consistent with its charter and Betterment's policies and procedures. Betterment will

only vote on proxies and respond to corporate actions associated with securities that Betterment currently selects for Betterment Constructed Portfolios (as defined above) and will abstain from voting on other securities, including but not limited to those securities only present in third-party portfolios, Advisor custom portfolios, or securities transferred to Betterment via ACATS, in each case that are not already supported in a Betterment Constructed Portfolio. If a security is present in Betterment Constructed Portfolios and outside of Betterment Constructed Portfolios, Betterment will vote on proxies associated with that security in all portfolios in which it is held. Betterment will abstain from voting on such proxies if it determines that abstaining is in the best interest of its clients. Clients may request information regarding how Betterment voted a client's proxies, and clients may request a copy of Betterment's proxy policies and procedures, which are updated from time to time, by emailing support@betterment.com.

Betterment Securities earns revenue from companies that issue proxies, for facilitating the processing and delivery of the proxies to Betterment's clients. The revenue earned by Betterment Securities is not contingent on whether or how proxies are voted by Betterment or its clients, and the identity of funds and other securities that Betterment includes in client accounts is not influenced by these payments.

Item 7: Client Information Provided to Portfolio Managers

Because Betterment manages all client portfolios directly, there are no portfolio managers with whom Betterment could share client information. However, for Third-Party Advised Clients on the Betterment Advisor Solutions platform, Betterment provides certain client information to clients' Advisors that clients explicitly request Betterment provide via the Betterment Advisor Solutions Advisory Agreement.

Item 8: Client Contact with Portfolio Managers

Clients should consider that Betterment primarily uses electronic rather than telephonic means to provide customer support. To receive customer support, clients contact Betterment via email or through the online interface, and prospective clients should be comfortable communicating through those channels. Clients should be aware that Betterment generally prioritizes requests in the order in which they are received in the customer support queue, but reserves the right to prioritize responses to client requests in accordance with business needs. Clients should consider that such customer support is educational or for selected account maintenance only, and that although the algorithms that manage client accounts are overseen, monitored, and updated by investment advisory personnel, clients participating in the Betterment Digital plan will generally not interact directly with such investment advisory personnel, except as described elsewhere in this document.

In addition to the availability of Betterment's customer service personnel to each client, Betterment provides selected materials prepared by investment professionals relating to client

portfolios and the investment decisions made for client accounts on its publicly available website, including a frequently asked questions site and the “Resource Center,” available at <https://www.betterment.com/help> and <https://www.betterment.com/resources/>, respectively. This information is designed to address commonly asked questions clients have about their accounts and the management of their accounts, and customer service personnel will provide clients links to such material. Clients receiving Supplementary Services may schedule telephone consultations with a financial consultant via an online scheduling link. Clients should be aware that they may not be able to speak to a person during market events, such as periods of exceptional volatility or downturns.

Item 9: Additional Information

BETTERMENT’S DISCIPLINARY HISTORY

On April 18, 2023, Betterment reached a settlement with the Securities and Exchange Commission (the “SEC”). Without admitting or denying the findings, Betterment consented to the entry of an order that states that with respect to Betterment’s tax loss harvesting feature (“TLH”), from 2016 to 2019, individual client portfolios were scanned every other trading day despite references to “daily” scans in certain materials. Additionally, the order states that Betterment’s disclosures did not adequately reflect that electing different portfolio strategies across investing goals will, depending on the securities held in an account and market conditions, result in fewer harvests than if a client elects the same portfolio strategy for all of their goals. The order also states that two coding errors caused TLH not to operate for a limited number of customers before 2019.

Additionally, the order states that Betterment did not maintain accurate records regarding clients’ election of TLH and selection of portfolio strategies, that Betterment did not provide advance notice to clients of material changes to its advisory agreement, and that Betterment did not adopt policies and procedures reasonably designed to ensure disclosures regarding its algorithms were accurate. The settlement order states that Betterment violated Sections 204, 206(2), and 206(4) of the Investment Advisers Act of 1940 and related rules. Betterment consented to the entry of the SEC’s order censuring it, requiring it to cease and desist from further violations, and imposing a \$9 million penalty that was used to compensate affected clients.

BETTERMENT’S FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Betterment is a wholly owned subsidiary of Betterment Holdings, Inc., which is also the parent company of Betterment Securities, Betterment for Business LLC, and Betterment Financial LLC.

Betterment Securities, Betterment’s affiliate, provides custody and execution services for wrap fee program accounts. Betterment Securities is a broker-dealer registered with the Financial Industry Regulatory Authority (“FINRA”) and a member of the Securities Investor Protection

Corporation ("SIPC"). Betterment Securities acts as a carrying broker-dealer to serve Betterment's clients. Betterment manages and directs Betterment Securities to trade client assets pursuant to discretionary authority granted by Betterment's clients through the Advisory Agreement. Betterment Securities exercises no discretion with respect to Client accounts. Betterment Securities has entered into an agreement with Apex. Betterment Securities instructs Apex to clear and settle Betterment's Clients' transactions on an omnibus basis.

Betterment for Business LLC, Betterment's affiliate, provides administrative services such as recordkeeping, payroll integrations, and plan communications for employer sponsored retirement plans. Betterment for Business LLC acts as an administrator, recordkeeper, and, with respect to certain predefined responsibilities, a 3(16) fiduciary under ERISA.

Betterment Financial LLC, Betterment's affiliate, makes available checking account services in partnership with a third-party, nbkc bank. Neither Betterment Financial LLC, nor any Betterment affiliate, is a bank.

BETTERMENT'S CODE OF ETHICS

Betterment maintains a Code of Ethics reasonably designed to help ensure we meet our fiduciary obligations to Clients and to detect and prevent violations of securities laws. Betterment's Code of Ethics establishes standards of conduct for all officers and employees consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act. A copy of Betterment's Code of Ethics is available to clients and prospective clients upon request by emailing support@betterment.com.

PARTICIPATION IN CLIENT TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

Betterment or individuals associated with Betterment are permitted to buy or sell securities identical to or different from those recommended to clients for their personal accounts. Individuals associated with Betterment are also Betterment clients. Additionally, any related person(s) could have an interest or position in certain securities which are also recommended to clients. In such instances, Betterment, or its related persons, may have a financial incentive to buy or sell such securities for client accounts, although this incentive is limited because Betterment generally recommends highly liquid index funds to its clients and because client activity in such funds is unlikely to materially impact their price. Betterment endeavors to make decisions in the best interest of its clients, and to eliminate, mitigate, and/or disclose material conflicts of interest that arise between Betterment and clients. In order to monitor conflicts of interest, Betterment monitors non-discretionary transactions in the personal accounts of employees and contractors designated as "Access Persons". An Access Person must disclose on an initial and annual basis the holdings of all personal investment accounts, as well as all transactions in such accounts on a quarterly basis.

It is the express policy of Betterment that no person employed by Betterment may use material,

non-public information obtained during the course of his or her work in deciding whether to purchase or sell any security prior to any pending transaction(s) being executed for an advisory account. This policy is intended to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

EMPLOYEE COMPENSATION AND POTENTIAL CONFLICTS OF INTEREST

All employees are paid a base salary and certain employees are also eligible for a discretionary bonus. Discretionary bonuses are based on firm-wide targets, individual targets, or both. Employees also receive compensation in the form of equity option grants in Betterment's parent company. No compensation is based on the performance or selection of specific securities. Sales team members who support the Betterment Advisor Solutions and Betterment at Work offerings receive incentive compensation based on revenue from retirement plans or advisory firms brought to Betterment, or based on leads to bring retirement plans to Betterment. Betterment's Licensed Concierge Team offers support for individuals transferring assets to Betterment of \$20,000 or more, and receives incentive compensation based on revenue from assets brought to or invested with Betterment. Betterment's customer support team also receives \$25 per referral compensation for passing leads to Betterment's Licensed Concierge Team. As noted above, Betterment's revenue varies for different offerings (e.g. Betterment Digital and Premium, Cash Reserve) and consequently sales employees who receive incentive compensation have an incentive to recommend the offering which results in the greatest revenue for Betterment. With respect to sales team members who support Betterment Advisor Solutions offering and Licensed Concierge team, team members receive incentive compensation based on the product offering or service level the Advisor or clients elect to invest. The marketing and solicitation activities of these individuals are supervised by Betterment in an effort to ensure that these individuals act in the client's best interest.

Betterment generally earns revenue from investment advisory fees based on client assets it manages, and therefore has an incentive to encourage clients deposit, transfer and maintain funds on Betterment's platform. Betterment mitigates this business model conflict by endeavoring to make decisions in the best interests of its clients consistent with its obligations under the Advisers Act. Betterment's EIC is responsible for Betterment's investment strategy, portfolio management, advice, and financial planning models, consistent with its charter and Betterment's policies. Additionally with respect to transfers, Betterment has a financial incentive to encourage clients to rollover funds to a Betterment IRA from an employer sponsored retirement plan, whether held externally or in certain cases held through Betterment at Work. For IRA rollovers from 401(k) plans managed through Betterment at Work, a Betterment IRA may result in higher or lower fees to Betterment as compared to the Participant's 401(k) account (depending on which fees, if any, the employer opted to pass along to the Participant's 401(k) account). Betterment's digital platform does not make individualized rollover recommendations to clients. In certain circumstances, clients who schedule a telephone conversation with a financial consultant may receive advice related to rollovers that is individually tailored to their financial situation and consistent with Betterment's policies and

procedures that govern financial consultants.

REVIEW OF ACCOUNTS

Betterment's investment tools are designed to provide clients with continuous access to account information through Betterment's online interface. Clients can utilize various tools on the interface to review their account and better understand their holdings and performance information. Clients also receive periodic emails from Betterment with information about their accounts, material amendments to their client agreements, as well as links to account statements, and clients should review these emails carefully for relevant information about their accounts and Betterment's services.

As described above in *Item 6 "Rebalancing and Dividend Reinvestment"*, and subject to the limitations referenced therein, on a periodic basis, Betterment's algorithms review clients' goals to assess their portfolios are within range of their Allocation and will seek to rebalance the portfolio if it deviates ("drifts") from this range.. Furthermore, for certain goals, Betterment monitors accounts to determine whether a client is on or off track to meet a particular goal or whether, in Betterment's judgment, client's chosen Allocation is too aggressive or conservative for a goal, and indicates the result of that monitoring through the online interface. Betterment personnel further conduct focused reviews of accounts when triggered by certain account activity, although clients should be aware that their individual accounts are generally not actively monitored directly by investment advisory personnel.

Clients are directed on at least a quarterly basis to update their information via the online interface.

For clients using the Betterment Advisor Solutions Service or receiving sub-advisory services from an Advisor through the Advisor Network matching service, clients' agreements with their Advisors govern any additional responsibilities for conducting reviews of clients' accounts that the Advisors may have.

CLIENT REFERRALS

Betterment offers compensation to current and prospective clients, affiliate marketers (including "bloggers"), solicitors (e.g., podcasters, influencers), and other strategic partners (e.g., payroll providers) who recommend Betterment and/or refer new clients for certain Betterment accounts (collectively, "Promoters"). The compensation received by certain Promoters for referring a Retail Client depends on the amount of that client's initial deposit and whether it is used to purchase securities in a Wrap Fee Program account or held as cash in Cash Reserve. The compensation received by a Promoter for referring a Retirement Plan Client depends on the number of Participants in the Plan and compensation can vary based on the time at which a plan is referred. The compensation received by certain Promoters for referring Third-Party Advised Clients depends on such referred clients' ongoing assets under

management at Betterment. Current clients may refer new clients only through Betterment's Refer-a-Friend program, through which compensation is limited to short-term waivers of Betterment's advisory fee or promotional increases to Betterment's then-current Cash Reserve APY. New clients are advised of such compensation prior to opening an account. Betterment supervises the referral activities of current clients and Promoters. Due to compensation from Betterment, Promoters have an incentive to recommend Betterment, which is a conflict of interest. Betterment does not charge Clients a fee or additional cost for being referred to Betterment by a current client or other Promoter.

TRAINING EVENTS

Periodically Betterment participates in Betterment hosted or third-party hosted training and educational conferences, seminars, trade shows, booth events or similar events ("Training Events"). Third parties, which sometimes include the providers of funds that Betterment selects for inclusion in its portfolios, generally share in the cost of the Training Event. Additionally, third parties participate in Training Events that provide Betterment and our personnel with information about their products and services. The participation and cost-sharing by third parties in Training Events could create incentives for us to recommend their products and services over others. Our participation in Training Events is subject to our Code of Ethics and Betterment does not recommend products or services of third parties based on their involvement in Training Events.

TERMINATION OF ADVISORY RELATIONSHIP

Retail and Third-Party Advised Client agreements may be canceled at any time, by either party, for any reason upon notice in accordance with the applicable Advisory Agreement. Retirement Plan Client agreements may be canceled by the client at any time and by Betterment after a specific notice period, in both cases in accordance with the applicable Advisory Agreement. Upon termination of any account any earned, unpaid fees will be due and payable.

BUSINESS DISRUPTION

There is a risk that a disaster outside of Betterment's control leads to a business disruption. Betterment maintains a business continuity program designed to allow us to maintain or resume operations within management-specified recovery targets after a material business disruption.

PRIVACY POLICY

Betterment is committed to protecting our clients' private information. Betterment has instituted policies and procedures to reasonably ensure that customer information is kept private and secure. Betterment does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law or agreed to by the client or as otherwise disclosed in Betterment's Privacy

Policy. In the course of servicing a client account, Betterment may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys; with an Advisor in the case of Third-Party Advised Clients; and with the employer or plan sponsor in the case of Participants. Betterment restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to a particular client. Betterment also maintains physical, electronic, and procedural safeguards to protect client information.

A copy of the Betterment's Privacy Policy is available on the Betterment website at <https://www.betterment.com/legal/privacypolicy>.

FINANCIAL INFORMATION

To the best of Betterment's knowledge, we are not aware of any financial condition that is reasonably likely to impair Betterment's ability to meet its contractual commitments to its clients.

ONLINE INTERFACE

Clients should be aware that, when Betterment makes changes to its online interface, not all clients see such changes at the same time. There will typically be different services and tools available to Clients depending on the means by which they are interacting with Betterment over the internet. For example, the services and tools available on a mobile phone (or a particular mobile phone operating system) will look different or be different than the services and tools available via a web-based interface.

SUBJECT TO CHANGE

From time to time Betterment may adjust its wrap fee program and policies. In the event of such adjustments this brochure will be modified as needed and an updated copy will be made available on the Betterment website and clients will be notified via email.

Form ADV Part 2B

CLIENT BROCHURE SUPPLEMENT

Betterment
450 West 33rd Street
Floor 11
New York, NY 10001
(718) 400-6898
www.betterment.com

October 1, 2024

This Brochure Supplement provides information about certain Betterment employees listed below that supplements the Wrap Fee Brochure you received above. If you have any questions about the contents of this brochure, please contact us at support@betterment.com. Additional information about Betterment is available on the SEC's website at www.adviserinfo.sec.gov.

Betterment's discretionary investment advice is formulated by a team comprised of more than nine Supervised Persons, and Betterment has provided group supplementary information below for the eighteen Supervised Persons with the most significant responsibility for the day-to-day advice provided to Clients.

Many of the Supervised Persons listed below hold the Certified Financial Planner™ (CFP) certification. Obtaining that certification requires that candidates meet the following criteria as set forth by the Certified Financial Planner Board of Standards:

- Hold a bachelor's degree or higher;
- Complete course training in financial planning;
- Pass a 6-hour multiple choice examination requiring the application of financial planning knowledge;
- Receive approval by the CFP Board, which requires passing an extensive background check and that the certificant adheres to a code of ethics.

NICHOLAS HOLEMAN, CFP®

Director of Financial Planning

Born 1991

Education

B.S., San Diego State University, 2013

MSBA, San Diego State University, 2015

Business Background

Betterment; Director of Financial Planning, 2021-present

Betterment; Head of Financial Planning, 2019-2021

Betterment; Senior Financial Planner, 2018-2019

Betterment; Financial Planning Expert, 2016-2018

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Holeman is supervised by Liane Pierce, Vice President of Customer Experience

CHRISTINE ANN CELAYA, CFP®

Director, Licensed Concierge

Born 1989

Education

B.S., Texas Tech University, 2011

Business Background

Betterment; Senior Manager, Licensed Concierge, 2021-present

Betterment; Customer Growth Manager, 2019-2021

Betterment; Customer Insights Supervisor, 2018-2019

Betterment; Certified Financial Planning Supervisor, 2016-2018

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Ms. Celaya is supervised by Liane Pierce, Vice President of Customer Experience

JONATHAN SCOTT WITTIG

Senior Manager, Investment Adviser Representative, Licensed Concierge

Born 1992

Education

B.S. B.A., University at Buffalo, 2015

Business Background

Betterment; Manager, Investment Adviser Representative, 2021-present

Betterment; Senior Licensed Concierge Associate, 2020-2021

Betterment; Senior Customer Insights Associate, 2019-2020

Betterment; Customer Insights Associate, 2018-2019

Betterment; Customer Experience Associate, 2017-2018

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Mr. Wittig is supervised by Ms. Celaya, Director, Licensed Concierge

ANNE CORBIN BLACKWELL, CFP®

Senior Financial Planner

Born 1990

Education

B.A., Denison University, 2013

Business Background

Betterment; Senior Financial Planner, 2021-present

Betterment; Financial Planner, 2018-2021

United Income; Financial Advisor, 2017-2018

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Ms. Blackwell is supervised by Mr. Holeman, Director of Financial Planning

DANA TRENTALANGE

Senior Investment Advisor Representative, Licensed Concierge

Born 1996

Education

B.S., King's College, 2018

Business Background

Betterment; Senior Investment Advisor Representative, 2022-present

Betterment; Investment Advisor Representative, 2021-2022

Betterment; Customer Support Specialist, 2021-2021

Betterment; Investing Support Specialist, 2020-2021

Betterment; Investing Support Associate, 2019-2020

Betterment; Customer Experience Associate, 2019-2019

The Vanguard Group, Inc.; Retirement Associate, 2018-2019

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Ms. Trentalange is supervised by Mr. Wittig, Senior Manager, Investment Adviser Representative, Licensed Concierge

ANDREW NOTTINGHAM

Investment Advisor Representative, Licensed Concierge

Born 1994

Education

B.S., Miami University (Ohio), 2016

Business Background

Betterment; Investment Advisor Representative, 2022-present

Betterment; Sales Development Representative, 2021-2022

Betterment; Customer Support Associate, 2021-2021

Betterment; Banking Support Associate, 2019-2021

Crazy Mountain Brewing Company; Sales Representative and Marketing Coordinator, 2016-2018

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Mr. Nottingham is supervised by Mr. Wittig, Senior Manager, Investment Adviser Representative, Licensed Concierge

KYLE THOMAS MCBRIEN, CFP®

Senior Financial Planner

Born 1994

Education

B.S., Indiana University, 2017

Business Background

Betterment; Financial Planner, 2021-present

Plante Moran Financial Advisors; Financial Advisor, 2017-2021

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. McBrien is supervised by Mr. Holeman, Director of Financial Planning

SARA KALSMAN, CFP®

Senior Financial Planner

Born 1990

Education

B.A., San Diego State University, 2013

Business Background

Betterment; Financial Planner, 2021-present

One Capital Management, LLC; Director, Wealth Planning, 2020-2021

Beacon Pointe Advisors, LLC; Agent, 2016-2020

Beacon Pointe Wealth Advisors, LLC; Senior Wealth Advisor, 2016-2020

Disciplinary Information

None

| | |
|-------------------|--|
| | <p><i>Other Business Activity</i></p> <p>None</p> <p><i>Additional Compensation</i></p> <p>None</p> <p><i>Supervision</i></p> <p>Ms. Kalsman is supervised by Mr. Holeman, Director of Financial Planning</p> |
| DYLAN SCHWABER | <p><i>Senior Investment Advisor Representative, Licensed Concierge</i></p> <p>Born 1994</p> <p><i>Education</i></p> <p>B.S., Indiana University, 2016</p> <p><i>Business Background</i></p> <p>Betterment; Senior Investment Advisor Representative, 2021-present ExecOnline; Business Development Representative, 2020-2021 Wells Fargo Advisors; Financial Advisor, 2017-2020</p> <p><i>Disciplinary Information</i></p> <p>None</p> <p><i>Other Business Activity</i></p> <p>None</p> <p><i>Additional Compensation</i></p> <p>Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).</p> <p><i>Supervision</i></p> <p>Mr. Schwaber is supervised by Mr. Wittig, Senior Manager, Investment Adviser Representative, Licensed Concierge</p> |
| ALEC PUPO | <p><i>Senior Investment Advisor Representative, Licensed Concierge</i></p> <p>Born 1996</p> <p><i>Education</i></p> <p>B.B.A., Temple University, 2018</p> <p><i>Business Background</i></p> <p>Betterment; Senior Investment Advisor Representative, 2021-present The Vanguard Group; Ultra High Net-Worth Client Consultant, 2021-2021 The Vanguard Group; High Net-Worth Client Consultant, 2020-2021 The Vanguard Group; Investment Services Representative, 2019-2020 The Vanguard Group; Brokerage Investment Professional, 2018-2019</p> <p><i>Disciplinary Information</i></p> <p>None</p> <p><i>Other Business Activity</i></p> <p>None</p> <p><i>Additional Compensation</i></p> <p>Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).</p> <p><i>Supervision</i></p> <p>Mr. Pupo is supervised by Mr. Wittig, Senior Manager, Investment Adviser Representative, Licensed Concierge</p> |
| TYLER JAMES MOORE | <p><i>Licensed Specialist, Licensed Concierge</i></p> <p>Born 1994</p> |

Education

B.S., Colorado State University, 2018

Business Background

Betterment; Licensed Specialist, 2023-present

Betterment; Client Success Manager, 2022-2023

Betterment; Customer Support Specialist, 2021-2022

Betterment; Customer Support Associate, 2021-2021

Betterment; Investing Support Associate, 2020-2021

Jennifer Harms Allstate Agency; Licensed Insurance Agent, 2019-2020

Oskar Blues Brewery; Cellar Operator, 2019-2019

Papa Murphys; Shift Lead, 2014-2019

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Mr. Moore is supervised by Ms. Celaya, Director, Licensed Concierge

RACHEL JENEE HARTENDROP

Licensed Specialist, Licensed Concierge

Born 1991

Education

B.S., Arizona State University, 2013

Business Background

Betterment; Licensed Specialist, 2023-present

Betterment; Client Success Manager, 2022-2023

Betterment; Customer Support Specialist, 2021-2022

Betterment; Customer Support Associate, 2021-2021

Betterment; Customer Experience Associate, 2020-2021

Teachable; Customer Care Associate, 2020-2020

VIPKid; Online ESL Teacher, 2019-2020

Adapt Inc.; Junior Designer, 2020-2020

Squarespace; Customer Care Advisor, 2015-2019

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Ms. Hartendrop is supervised by Ms. Celaya, Director, Licensed Concierge

HANNA KAUFMAN, CFP®

Financial Planner

Born 1996

Education

B.S. Personal Finance, University of Wisconsin - Madison, 2018

CONNER THOMPSON

Business Background

Betterment; Financial Planner, 8/2023 - Present
RS Crum, Inc; Financial Advisor, 02/2019 - 08/2023
UCI; Administrative Assistant III; 09/2018 - 02/2019

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Ms. Kaufman is supervised by Mr. Holeman, Director of Financial Planning

Licensed Specialist, Licensed Concierge

Born 1998

Education

Bachelor's Degree in Personal Financial Planning, University of Missouri - Columbia, 2021

Business Background

Betterment, 401(k) Support Associate 2022-2024, Licensed Specialist
2024-present

Catholic Charities of NE Kansas, Financial Empowerment Specialist, 09/2021 - 03/2022

Stepp and Rothwell, Financial Planning Associate, 05/2021 - 08/2021

Office for Financial Success (University of Missouri), Financial Counselor,
04/2019 - 05/2021

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Mr. Thompson is supervised by Ms. Celaya, Director, Licensed Concierge

ERICA GRUNDZA, CFP®

Financial Planner

Born 1994

Education

Bachelor's Degree (Economics), Indiana University of Pennsylvania, 2015

Business Background

Betterment, Financial Planner, 03/2024 - Present

Unique Wealth LLC, Private Wealth Planner, 03/2021 - 03/2024

Northwestern Mutual Investment Services, Private Wealth Planner, 06/2020 - 03/2021

The Ayco Company, Goldman Sachs, Financial Planner, 06/2018 - 06/2020

Disciplinary Information

None

Other Business Activity

None

| | |
|-----------------------------|---|
| | <p><i>Additional Compensation</i> None</p> <p><i>Supervision</i> Ms. Grundza is supervised by Mr. Holeman, Director of Financial Planning</p> |
| MARIO NAJERA, CFP® | <p><i>Financial Planner</i> Born 1992</p> <p><i>Education</i> Business Finance, California State University, Sacramento, 2017</p> <p><i>Business Background</i> Betterment, Financial Planner, 03/2024 - Present Unemployed, 08/2023 - 03/2024 Spectrum Wealth Advisors, Wealth Advisor, 03/2023 - 08/2023 Allworth Financial, Retirement Plan Support Specialist, 01/2018 - 07/2021, Associate Advisor 07/2021 - 12/2022</p> <p><i>Disciplinary Information</i> None</p> <p><i>Other Business Activity</i> None</p> <p><i>Additional Compensation</i> None</p> <p><i>Supervision</i> Mr. Najera is supervised by Mr. Holeman, Director of Financial Planning</p> |
| NORMAN "ANDY" PERKINS, CFP® | <p><i>Financial Planner</i> Born 1994</p> <p><i>Education</i> Personal Financial Planning (Bachelor's Degree), Utah Valley University, 2021 General Education (Associate's Degree), Dixie State University, 2017</p> <p><i>Business Background</i> Betterment, Financial Planner, 04/2024 - Present FirstPurpose Wealth, Associate Advisor, 08/2021 - 04/2024 Unemployed, 05/2021 - 08/2021 Desert Mutual Benefit Administrators, Financial Planning Intern, 10/2020 - 05/2021 Fidelity Investments, Financial Representative, 11/2019 - 10/2020 Unemployed, 07/2019 - 11/2019 Costco, Customer Service, 06/2018 - 07/2019</p> <p><i>Disciplinary Information</i> None</p> <p><i>Other Business Activity</i> None</p> <p><i>Additional Compensation</i> None</p> <p><i>Supervision</i> Mr. Perkins is supervised by Mr. Holeman, Director of Financial Planning</p> |
| NATISHA RUNYAN | <p><i>Advisor Implementation Manager, Licensed Concierge</i> Born 1987</p> <p><i>Education</i> B.S., Business Management, Indiana Tech, 2017</p> |

Business Background

Betterment, Advisor Implementation Manager, 05/2024 - Present
Kingsview Partners, Jr. Financial Advisor, 11/2023 - 05/2024
Kingsview Partners, Sr. Branch Office Administrator, 12/2019 - 11/2023
Wells Fargo Advisors, Client Associate, 07/2017 - 12/2019

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Ms. Runyan is supervised by Mr. Wittig, Senior Manager, Investment Adviser Representative, Licensed Concierge

ELI SAVELLE

Investment Advisor Representative, Licensed Concierge

Born 1994

Education

B.A. Political Economy, University of Washington, 2017

Business Background

Betterment, Investment Advisor Representative, 05/2024 - Present
Prudential, Financial Advisor, 05/2023 - 5/2024
Charles Schwab, VP, Financial Consultant, 12/2022 - 04/2023
TD Ameritrade, Senior Financial Consultant, 03/2020 - 12/2022
TD Ameritrade, Financial Consultant, 04/2018 - 03/2020

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).

Supervision

Mr. Savelle is supervised by Mr. Wittig, Senior Manager, Investment Adviser Representative, Licensed Concierge

SAMANTHA BEAUVAIS, CFP®

Financial Planner

Born 1994

Education

B.A. Anthropology, Florida Atlantic University, 2016, Psychology, Florida Atlantic University, 2016

Business Background

Betterment, Financial Planner, 07/2024 - Present
JLFranklin Wealth Planning, Support Advisor / Associate Wealth Advisor, 04/2023 - 06/2024
Aviance Capital Partners, Associate Financial Planner, 01/2022 - 03/2023
Indigo Marketing Agency, Freelance Financial Services Copywriter, 07/2021 - 07/2024

Human Rights Defense Center, Public Records Manager & Development Coordinator, 03/2021 - 01/2022
U.S. Info-Comm, Inc., Financial Project Manager & Customer Owned Asset Manager, 07/2015 - 03/2021
Disciplinary Information
None
Other Business Activity
None
Additional Compensation
None
Supervision
Ms. Beauvais is supervised by Mr. Holeman, Director of Financial Planning

JOSHUA GARZA

Licensed Specialist, Licensed Concierge
Born 1999
Education
BBA in Finance, Texas Tech, 2023, Associates in Business Administration, Tarrant County Community College, 2021
Business Background
Betterment, Financial Planner, 07/2024 - Present
Robinhood Financial, Customer Experience Representative, 03/2024 - 07/2024
Charles Schwab, Financial Services Representative, 05/2023 - 03/2024
Disciplinary Information
None
Other Business Activity
None
Additional Compensation
Licensed Concierge team members receive incentive compensation based on revenue from assets (which may vary depending on clients' chosen products or services).
Supervision
Mr. Garza is supervised by Ms. Celaya, Director, Licensed Concierge

BORIS KHENTOV

Senior Vice President, Product Strategy
Born 1977
Education
A.B., Harvard University, 2000
J.D., Northwestern University School of Law, 2009
Business Background
Betterment; Senior Vice President of Operations & Legal Counsel, 2018-present
Betterment; Vice President of Operations & Legal Counsel, 2016-2018
Betterment; Director of Operations & Legal Counsel, 2014-2016
Disciplinary Information
None
Other Business Activity
None
Additional Compensation
None
Supervision
Mr. Khentov is supervised by Michael Reust, President

MYCHAL CAMPOS

Senior Director, Investing

Born 1978

Education

M.S., University of Washington, 2017

B.A., Reed College, 2000

Business Background

Betterment; Senior Director of Investing, 2021-present

Kindur; Director of Product, 2019-2021

Stash; Director, Head of Investing, 2017-2019

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Campos is supervised by Mr. Khentov, Senior Vice President, Product Strategy

Supervision. Investment advisory activities are conducted by Supervised Persons, which includes Betterment's investment advisor representatives, as well as Supervised Persons who advise on portfolio construction and the development of advice and algorithms. The investment advisor representatives are supervised by Liane Pierce, Vice President of Customer Experience, and can be reached at (718) 400-6898. Betterment's Executive Investment Committee (the "EIC") is responsible for Betterment's investment strategy, portfolio management, advice, and financial planning models, consistent with its charter and Betterment's policies. Mr. Holeman, Mr. Khentov, and Mr. Campos are members of the EIC. The members of EIC can be reached at (212) 228-1328.