

**Item 1                      ADV Part 2A Cover Page**

**SOFI WEALTH, LLC**

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March 27, 2020

**This brochure provides information about the qualifications and business practices of SoFi Wealth, LLC (“SW” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at [\(855\) 525-7634](tel:8555257634) or [investsupport@sofi.com](mailto:investsupport@sofi.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. SW is registered with the SEC as an investment adviser; please note that such registration does not imply a certain level of skill or training.**

**Additional information about SW also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2      Material Changes

Under SEC Rules, you will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year, which is in December. We may also provide you with a new Brochure or other ongoing disclosure information about material changes as necessary, without charge.

Since filing the last Annual Amendment to this Brochure in March 2019 we have made the following material changes.

- On May 15, 2019 we updated this brochure to reflect updates about the SoFi Digital Advice Experience through our mobile application. We launched the SoFi Invest brand including Automated, a service of SW. SW sponsored an ETF fund family, consisting of 4 funds filed with the SEC. We also named a new Chief Compliance Officer of SW, Dimple Anderson. We also updated our conflicts of interests:
  - Established an affiliate that will operate as a money transmitter
  - SoFi Securities launched two new products (cash management accounts and self-directed brokerage account)
  - Social Finance, Inc., the parent company of SW, sponsors a series of exchange traded funds
  - Social Finance, Inc., the parent company of SW, is a minority stakeholder in Apex Clearing Corporation that provides custodial services to SW.
- On June 24, 2019 we updated this brochure to reflect that we replaced Ashish Jain with William Tanona, Senior Vice President, Corporate Development and Investor Relations as a member of the Investment Committee.
- On September 9, 2019 we updated this brochure to clarify that SW has not and currently does not offer a Tax Loss Harvesting program or model portfolios designed to identify tax benefits related to specific transactions in individual client accounts. Tax implications generally are one of several factors considered by the Investment Committee when analyzing initial allocations and changes to allocations to funds within the portfolio; however, SW does not advertise services or manage assets targeting taxation. Ancillary references to Tax Loss Harvesting have been removed for consumer clarity.
- Effective March 27, 2020 we added a new member to the Investment Committee Linda H Zhang, Ph.D, who is the CEO and the founder of Purview Investments.

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## Item 4      **Advisory Business**

SoFi Wealth, LLC (“SW”) is an internet based (or “online”) investment adviser registered with the Securities and Exchange Commission (“SEC”). SW provides investment advice to individual investors utilizing proprietary software along with an experienced investment team to advise clients on general asset allocation. SW is a wholly owned subsidiary of Social Finance, Inc. (“SoFi”), a Delaware corporation founded in 2011 by a group of Stanford Graduate School of Business students to implement the premise that the student loan industry can be improved by private community solutions.

### **The Services We Provide**

In performing our functions as an investment advisor, we have a fiduciary duty to our clients. We will perform our obligations under each Advisory Agreement with reasonable care and good faith, in a manner consistent with the standard of care exercised by prudent institutional managers of national standing in the United States. That means we will exercise a degree of skill and attention no less than that which we exercise with respect to comparable assets that we manage for ourselves and for others.

### **SoFi Digital Advice Experience**

SoFi offers automated tools (digital advice) designed to provide clients with self-directed insights into their financial situation. Clients may access these tools online and through an application (an “app”) that runs on devices such as smartphones. These tools are available to clients without payment of any fees. Complimentary SoFi financial planners are available to answer questions and to help clients establish financial goals and plans. Automated tools include:

- SW’s “Relay” allows clients to view information about multiple accounts. It allows clients to “connect” their accounts held in other institutions, such as checking, savings, loans, or investment accounts, which allows clients to view balance and activity data in a consolidated form. We believe Relay provides value to clients. For example, clients can analyze spending and cash flow trends at both an aggregate level and by category. The tool will enable SW to deliver additional analytic tools and, potentially, recommendations. This functionality is made possible through the use of account aggregation services provided by Plaid. Transactions specific to a particular account can be seen in Relay, however, users cannot initiate transactions or transfers through the app.
- SW offers clients a credit score monitoring tool. It is available to Clients at no cost. This feature displays and periodically updates a client’s credit score to educate and aid the client in credit planning. The credit score provided is a Vantage Score® 3.0 based on TransUnion® data. The credit score may be accompanied by potential key factors affecting the credit score, credit score comparison to national norms and simulators/credit score calculator to understand how specific actions might affect the user’s credit score.

- SW offers certain users a self-directed tool that assists with estimating the cost of college tuition and related expenses for purposes of estimating monthly contributions to a college savings plan.

SW believes that automated tools offer substantial value to many clients, but all clients must be aware that the tools have limitations. SW's automated tools rely upon user-input information, information from connected accounts (which can be incomplete and in some cases unavailable), and some clients will require advice from an in-person planner for actionable guidance. The usefulness of the results is also limited by the quality and quantity of the available information.

### **Financial Planning Services**

SW offers complimentary financial planning services to members through its team of financial planners. Plans are created in close conjunction with the member. Typically, communication and collaboration is facilitated via a series of phone or video conference conversations (using publicly available tools such as Zoom conference calling). Financial planners will also conduct follow up communication and answer basic financial questions via email. Plans are communicated to the member either verbally or in written form. Plans are customized to the goals, objectives and financial situation of the member.

Financial plans will cover one or more of the following topics:

- Budgeting
- Retirement Planning
- Insurance Planning
- College Planning
- Estate Planning
- Asset Allocation & Investment Planning

The role of SW is to first help clients understand their overall financial situation. The second goal is to help set financial objectives.

We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by the member and the planner. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. These plans may not take the same holistic approach as a comprehensive financial plan. All financial plans do not include specific recommendations of individual securities.

Our financial planning services do not involve implementing any transaction on behalf of our members and we do not engage in active or ongoing monitoring or management of investments. The user has the sole responsibility to determine whether to implement the financial planning recommendations.

**Asset Management Services**

SW offers Automated Investing under the SoFi Invest brand name. In accordance with an Advisory Agreement, SW manages portfolios and performs certain advisory functions with respect to each portfolio. This includes recommending asset allocated portfolios and providing automated portfolio rebalancing services.

SW is authorized to, among other things:

- Recommend one of three asset allocation models to investors - general investing, retirement, or emergency savings. The system evaluates user risk profiles through our online risk-evaluation system, also referred to as the Goals, Risk and Objectives Exercise. Through a series of questions with user-input (e.g., age, net worth, income, time horizon), SW reasonably identifies appropriate risk profiles and automatically creates portfolios for our clients, designed to tailor client risk to the profile supplied by the user;
- Identify security choices for our clients in order to minimize trading costs and other fees; we continuously evaluate the performance of a range of indices and securities to determine if we should replace an asset class or implement an additional asset class in our client's portfolios;
- Determine optimal times for portfolio rebalancing that return the client to the target risk profile and attempt to minimize trading costs and minimize other fees;
- Identify asset classes and securities which are appropriate according to certain pre-programmed rules related to a client's account: for instance, minimizing tax inefficient securities in taxable accounts while maximizing their potential in tax-deferred accounts. The election of a non-qualified or qualified account will result in different allocations and underlying holdings, but models with a risk tolerance band will have similar target risk and return characteristics;
- Identify and evaluate the timing and method of disposition or liquidation of investments, select and determine investments to be disposed of or liquidated, and cause an investor to dispose of or liquidate investments in accordance with the terms of the Advisory Agreement in order to facilitate allocation remodeling;
- Engage personnel to assist the Investment Advisor in providing investment advisory services, including, without limitation, counsel, consultants, accountants, investment bankers, financial advisors and sub-investment advisors;
- Open, maintain and close accounts, including custodial accounts, but excluding collection accounts, with banks, including banks located outside the United States, and draw checks or other orders for the payment of monies;

- Incur expenditures as the Investment Advisor determines to be appropriate in furtherance of the purpose of the best interest of investors, and, to the extent that the funds of an investor are available, pay all expenses, debts and obligations;
- Perform such other duties, activities, functions and all other similar things necessary to achieve, implement or facilitate any of the foregoing provisions in the United States as well as foreign jurisdictions.

There is no limitation or restriction on the ability of the Investment Advisor or any of its Affiliates to act as an investment manager (or in a similar role) for other persons. This and other future activities of the Investment Advisor and its Affiliates may give rise to conflicts of interest. See Item 10, below, for how we handle conflicts of interest.

**Termination of our Advisory Agreement**

The Advisory Agreement may be terminated by either party at any time, and without cause, in accordance with the applicable Advisory Agreement. SW will promptly liquidate Client's holdings and, upon settlement, disperse the proceeds per the investor's instructions. Upon termination of any account any earned, unpaid fees will be due and payable in accordance with the applicable Advisory Agreement.

**Wrap Fee Programs**

Assets of SoFi Wealth are managed as part of SoFi Wealth's Wrap Program. A wrap account is a professionally managed investment plan in which expenses, including brokerage commissions, management fees, and administrative costs, are "wrapped" into a single charge. SoFi Wealth's Wrap Program provides clients with investment guidance, portfolio management, and brokerage services for one comprehensive fee based on a percentage of individual account assets. SoFi Wealth may buy or sell securities consistent with analysis designed to seek an investment return suitable to the investment objectives and goals of each distinct client account.

SoFi Wealth determines a suitable course of action by performing a review of the data entered by the client in establishing the account, also referred to as the Goals, Risk and Objectives Exercise. This review may include type of account, client goals, investment objectives, overall financial condition, income and tax status, personal and business assets, risk tolerance, and other factors unique to the individual client's situation. Based on client suitability parameters, SoFi Wealth will design, revise, and reallocate a client's custom portfolio.

Client accounts are managed on a discretionary basis. See Item 16 for more details. Clients are responsible for providing any changes to their financial situation or investment objectives by updating their responses on our interactive website. SoFi Wealth will contact clients periodically to determine whether their financial situation or investment objectives have changed or if they want to modify their target asset allocation. Clients may modify their target asset allocation at any time through the SoFi Wealth website.

Clients must appoint our firm as their investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under the client’s name. The qualified custodian maintains physical custody of all funds and securities of the Account, and the client retains all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. Please see Item 12 for more information.

It is important for clients to understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

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

### **Assets Under Management**

SW has \$138,353,000 under management as of March 27, 2020 .

### **Ownership**

SW is a wholly owned subsidiary of Social Finance, Inc. Social Finance, Inc is minority-owned through intermediate subsidiaries by SoftBank Group Corporation (“SoftBank”), a publicly held company. SoftBank is a Japanese multinational telecommunications corporation headquartered in Tokyo, Japan.

## **Item 5            Fees and Compensation**

SW offers asset management services under the brand “Automated Investing”, under the broader SoFi Invest umbrella. SW does not currently charge a management fee for Automated Investing, though SW may introduce other products or services for which it does charge a fee in the future. SW may change this fee from time to time.

SW may also receive revenue from lending client securities under the terms of the Master Securities Lending Agreement. This revenue is not shared with the client. It is used to reduce management fees. See the Fully Paid Lending Disclosures for additional information. SW does not currently receive any sales commissions, 12b-1 fees or other fees from ETFs for investing such funds on behalf of advisory clients, but this may change in the future.



Clients who invest in ETFs pay ETF fees. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of an ETF may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer.

Investors are charged incidental fees for certain services provided by our clearing firm such as IRA administration, sending money or securities to another firm via ACAT, or sending paper statements or confirms (electronically delivered documents are free). These fees may change from time to time and are listed under our Fees link on the SW website.

A single, all-inclusive fee for brokerage, custodial and recordkeeping services may cost the client more or less than the cost of purchasing these services separately. The primary factor affecting the comprehensive fee is the provision by SW of individualized investment advice and portfolio management services tailored to the needs of each individual. SoFi Securities, LLC, an affiliate of the Firm, marks up these charges under certain circumstances to cover costs associated with the administration of such fees.

Neither SW nor any of its Affiliates receive compensation for the sale of securities to SW investors. Some investors in SW may also be clients of SoFi Securities and may purchase securities through them.

At the end of each month during which an account had activity, but not less than quarterly, SW's Clearing Broker Dealer, Apex Clearing, will prepare and provide a statement to each investor. The statement will include:

- the net asset value of a portfolio in accordance with generally accepted accounting principles, as applied in the United States as of such time;
- the amount of distributions;
- the securities holdings;
- change in value; and
- the Management Fee, if any.

SW will make these statements available online from their proprietary site, as well as keep client positions, including: shares owned, account value, and transaction history available to the client through the site, which will be updated after the end of each business day. SW does not charge a separate fixed fee or hourly fee for Financial Planning Services. They are provided complimentary as part of the overall services offered to our clients.

## Item 6 Performance-Based Fees and Side-by-Side Management

SW does not engage in Side-by-Side Management or receive any performance-based compensation.

## Item 7 Types of Clients

SW's clients will be individual investors, including individuals, high net-worth individuals, trusts, and estates. There is no minimum investment commitment. Account and ACH minimums may be waived as the election of the Firm. SW leverages its technology platform in order to allow for smaller client minimums as we rely on our risk and portfolio management systems to develop optimal portfolios for our clients.

SW relies heavily on technology to perform investment management services. SW Clients are made aware of the following when utilizing SW's software-based IA services via this disclosure document:

- Clients of SW agree to rely primarily on the SW website for their account information, including, but not limited to, their positions, profits and losses, account value, account performance, statements, and confirmations. However, quarterly or monthly statements as well as trade confirmations will be provided electronically to the client by the clearing broker-dealer on the SW website;
- Clients of SW agree that their risk profile is created through our profiling system, and this information is used to map clients to their recommended portfolios. All client risk profiling information is confidential. We recommend that clients re-evaluate their risk profile if any of their circumstances have changed in a material way. This will allow SW to quickly recommend a new portfolio, and to establish the client in those new positions;
- Typical investments in the SW wrap program will be ETFs, and SW will focus on ETFs with low expense ratios and adequate liquidity, while still sufficiently tracking their underlying indices. However, SW is not limited in what it may recommend to its clients, and may offer additional services outside the wrap program that may include positions in individual equity securities, debt securities, futures, foreign exchange, options, and commodities in order to meet client objectives. Client accounts which include products outside of ETFs will be subject to higher fees, and require the client to be sufficiently sophisticated to understand and be able to afford the risks of these strategies.

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

### Methods of Analysis

SoFi Wealth uses a Goals, Risk and Objectives Exercise and an asset class based strategic asset allocation to create a plan for clients to reach their financial goals. We begin by gathering

information about the client. Next, we gather information about the client's goals and the amounts they intend to invest to reach those goals. We then use target-specific strategic asset allocation to formulate an investment strategy that helps them reach those goals. Finally, we help them implement the plan by creating and managing a portfolio based on the target they selected. Algorithms are utilized to assess the risk tolerance of a client and to recommend an asset allocation.

SW investment strategies typically contain 4-12 ETF securities, which track world indices and will allow us to create diversified portfolios for our clients. These strategies attempt to offer optimum expected returns given the risk tolerance, time horizon, and objectives of each strategy. SW will adjust portfolios periodically to reflect our analysis of world market conditions. This could result in periods of time where the portfolios are completely in cash or cash equivalents.

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

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

Our Investment Committee drives our portfolio allocation decisions using a combination of backward-looking investment metrics and forward-looking estimates. They publish allocation adjustments periodically to help provide transparency on our portfolio selections. In our periodic market updates, we explain why we have any biases and what we hope to achieve by using them. We also track whether our bias is adding value to the portfolios relative to the static benchmarks for each strategy. We believe this approach will deliver better returns over the long run than holding the same allocation mix with no adjustments for changing economic conditions.

SW will recommend one of our investment strategies based on the client's risk profile and our own analysis of the global market. We will establish our client's risk profile based on their age and other factors, then recommend the investment strategy we feel is the best match for the client to reach his or her goals. Clients may accept our recommended investment strategy or select a different one.

The recommendation of a given investment strategy is heavily dependent on the information provided to SW during the risk profile component of the account opening and during subsequent client update requests, which are transmitted to all clients annually. A client may also log in to their account at any time and provide updated information. If inaccurate information is provided or if a client fails to respond to update requests, the quality and reliability of advice could be materially impacted.

There may be certain factors or variables which have not been included in the Goals, Risk and Objectives Exercise, some of the questions are over-generalized, ambiguous or designed to fit a pre-determined option and consequently the output may not be right for all of a client's needs or goals. SW recommends investment strategies based on risk assumptions that are correlated primarily to the age of the investor and does not consider assets or objectives outside of the stated client goal. The limitations of such an algorithm should be considered in the evaluation of services provided by the Firm. The algorithm utilized does not take into account all market factors, your specific tax situation, political risk, or currency risk.

Client contribution plans, the investment strategy along with their savings and goals, are subjected to a Monte Carlo analysis to determine the probability of success. The client may change their goals, contribution level, and the level of risk they wish to take with their investments to improve the probability of success and create a plan that works for them. Once they have chosen an investment strategy, they open an account, fund it electronically, and SW implements their plan by investing in the strategy.

Portfolios are rebalanced according to drift-based rules. This rebalancing could result in capital gains for some clients. The Investment Committee may alter the mix of a given investment strategy from time to time, either by altering the percentages of existing ETFs or replacing one or more ETFs in the portfolio. SW will continue to select the underlying ETFs that represent the broad asset allocation determined by these strategies, which do include ETFs for which SoFi is the sponsor. When selecting ETFs for which SoFi is the sponsor, SW has a conflict of interest. Although the ETFs for which SoFi is the sponsor currently waive any management fees to SoFi, at some point in the future those fee waivers may end, and if so, SoFi would earn revenue from those ETFs. ETFs for which SoFi is the sponsor currently are less liquid and have a shorter track record than some alternative ETFs not sponsored by SoFi. The algorithms described prior and/or a zero-neutral allocation to cash might rebalance client accounts without regard to market conditions and on a more frequent basis than a client might expect.

### Investment Strategies

- Aggressive – Investors with an aggressive risk tolerance focus on maximizing returns, believing that getting the greatest long-term return is more important than limiting short-term market fluctuations. They should expect large movements, both up and down, in the value of their portfolio. This strategy has the greatest potential to generate gains over time, but it also comes with the most risk and there may be periods where significant portfolio losses occur. The proportion of stocks in the portfolio may reach 100%.
- Moderately Aggressive – Investors with a moderately aggressive risk tolerance focus on maximizing returns but want a small portion of their portfolio invested in bonds to limit the full effects of stock market movements. However, they should still expect large movements, both up and down, in the value of their portfolio given the large allocation to stocks. Stocks will compose 70-90% of the portfolio, with the remainder invested in bonds.

- Moderate – Investors with a moderate risk tolerance balance potential risk with potential reward. They are not seeking the highest return possible and will accept lower returns to reduce large fluctuations in the value of their portfolio. With an allocation of 50-70% in stocks, this portfolio is not immune to stock market drawdowns and still comes with considerable risk of losing money. However, a 30-50% allocation to bonds should prevent the investor from suffering the full effects of a stock market sell-off.
- Moderately Conservative – Investors with a moderately conservative risk tolerance focus more on reducing risk than on portfolio gains, although they are usually comfortable with some degree of market fluctuation and wish to have a portion of their portfolio invested in the stock market to increase expected future returns. Stocks still comprise 20-40% of this portfolio, so there may be periods where the portfolio suffers a loss of value. An allocation of 60-80% to bonds should limit the effects of a stock market sell-off but will not entirely.
- Conservative – Investors with a conservative risk tolerance wish to avoid large drawdowns that can typically arise from investing in the stock market. These investors are more concerned with limiting their downside risk and, to achieve that goal, are comfortable not achieving the potentially higher returns of the stock market. They are focused on generating consistent returns over time and avoiding large losses. The proportion of bonds in the portfolio may reach 100%.

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

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

### Risk of Loss

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

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

There are other risks an investor should consider such as: credit risk, legislative risk, tax risk -, and emerging markets risk. SW makes no guarantee of an investor's internet provider to access the website. Further, as SW delivers its services entirely through its online platform there is a risk that the software may not perform as designed.

## **Item 9                    Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## **Item 10                  Other Financial Industry Activities and Affiliations**

SW is owned by Social Finance Inc., which is commonly known as SoFi. SoFi was formed to be, what we consider, a new kind of finance company. It is our goal to take a radical approach to lending and wealth management. We strive to develop innovative products and tools for faster service and open conversations. Whether our members are looking to buy a home, save money on student loans, ascend in their careers, or invest in the future, the SoFi community works to empower our members by developing and focusing on the goals they set for financial independence as a result.

Social Finance Inc is also the sponsor of an ETF fund family (currently constituting 4 funds which have been filed with the SEC) in partnership with Toroso Investments, LLC (ETF Advisor) and Tidal ETF services, and has a direct economic interest in these funds.

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

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The Social Finance, Inc. funds are included in SW portfolios and marketed directly to SW clients. SW does not make investment decisions, provide investment advice, or otherwise act in the capacity of an investment adviser to the funds.

Firms affiliated with SW include SoFi Securities LLC, a registered broker-dealer; SoFi Capital Advisors LLC, an exempt reporting investment adviser, SoFi Digital Assets, LLC and SoFi Lending Corp., a non-bank consumer lending company. Additional information about SW's structure and directors is provided on Part 1 of SoFi Wealth's Form ADV which is available online at <http://www.adviserinfo.sec.gov>.

SW does not recommend or select other investment advisors for clients.

### **SoFi Lending Corp.**

SoFi Lending Corp. is a non-bank, consumer lending company providing student loan, real estate mortgage loans, and other personal loan and consumer credit services to the general public. SW has arrangements with SoFi Lending Corp. that are material to our advisory services. SW was formed to provide an investment management option to SoFi Lending Corp. members (i.e. consumers of SoFi Lending Corp. generated loans).

If you are a SW Client, SW will likely provide advertisements to you for SoFi Lending. You are not required to use any SoFi Lending products or services, if you do, SW as an affiliate of SoFi Lending could earn revenue.

### **SoFi Securities LLC**

SW is under common ownership with the full-service, introducing broker/dealer, SoFi Securities LLC, used for all SW managed accounts. SoFi Securities LLC is a member of FINRA and SIPC. SW and SoFi Securities LLC share office space, personnel, and resources. Many of the SW advisory personnel are also registered representatives with SoFi Securities LLC. SoFi Securities LLC also provides no commission brokerage services to customers under the SoFi Invest umbrella, called "Active Investing". SW clients may be marketed this service and may choose to participate; however, it would be under a separate, direct agreement with SoFi Securities, LLC and in a separate SoFi Securities, LLC account (and only incidental to their SW activities). All brokerage services provided by SoFi Securities LLC within the scope of SW activities are for the Asset Management Services outlined in Item 4 of this brochure.

### **Social Digital Assets LLC**

SW clients may be marketed the opportunity to invest in cryptocurrencies through SoFi Digital Assets, LLC, which also sits under the umbrella of SoFi Invest. SW will not offer investment advice nor recommendations with respect to cryptocurrencies.

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

SW has adopted a Code of Ethics expressing its commitment to ethical conduct to comply with applicable securities laws including those relating to employees' personal trading, insider trading and anti-money laundering. SW's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth SW's practice of supervising the personal securities transactions of employees. Individuals associated with SW may buy or sell securities for their personal accounts identical to or different from those recommended to clients of the advisor.

Associated persons may buy or sell specific securities for their own accounts that are not purchased or sold for Clients. SW monitors the securities transactions of all associated persons and investigates any unusual patterns that it detects. Neither SW nor any of its associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

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

Affiliates of the Investment Advisor may provide other services to investors and may receive fees from the investors in such capacities. Other present and future activities of the SW and other Affiliates of SW may give rise to additional conflicts of interest. Notwithstanding such conflicts, SW understands that it is a fiduciary to the investors and is committed to implement the obligations stated in its Code of Ethics.

## **Item 12      Brokerage Practices**

Clients are required to utilize the brokerage services of our affiliate, SoFi Securities, a member of FINRA and SIPC, which acts as an introducing broker-dealer (or agent for custody) in effecting securities transactions for Clients' Accounts in which Apex Clearing provides trade execution and clearing services. Apex Clearing is an affiliated broker-dealer, member FINRA and SIPC.

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

SW seeks the best overall execution of transactions for Client Accounts consistent with its judgment as to the business qualifications of the various brokers through which SW accounts are available. SW obtains information as to the general level of commission rates being charged by the



brokerage community from time to time and will periodically evaluate the overall reasonableness of brokerage commissions paid on Client transactions by reference to such data to ensure competitive commission rates. “Best execution” means the best overall qualitative execution, not necessarily the lowest possible commission cost. Accordingly, the factors that SW considers when selecting or recommending Brokers are matters that directly benefit Client Accounts, and consistent with obtaining the best execution of their transactions. These factors include: execution capability and available liquidity; timing and size of particular orders; commission rates; responsiveness; trading experience; reputation, integrity and fairness in resolving disputes; quality of their application programming interfaces and technology; and other factors.

SW receives economic benefits from Apex Clearing, including revenue from lending securities and cash, via a sweep mechanism, in client accounts. There is no direct link between this revenue and the investment advice it gives to its Clients. Apex Clearing may also have paid for business consulting and professional services received by SW’s related persons. Some of the products and services made available by Apex Clearing through the program may benefit SW but may not benefit its Client accounts. These products or services may assist SW in managing and administering Client accounts, including accounts not maintained at Apex Clearing.

Other services made available by Apex Clearing are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Apex Clearing. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor’s choice of Apex Clearing for custody and brokerage services.

SW aggregates orders for a Client’s Account with orders of other Clients. SW may aggregate securities sale and purchase orders for a Client with similar orders being made contemporaneously for other Client Accounts. In such event, the average price of the securities purchased or sold in such a transaction may be determined and a Client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Accounts.

### **Item 13**      **Review of Accounts**

Portfolios are monitored regularly using software that tracks portfolio drift from neutral allocations and cash holdings. Drift is managed as a percentage deviation above and below the neutral allocation, known as tolerance band. When a tolerance band is breached or cash exceeds a maximum threshold, the portfolio is rebalanced to neutral. Investment Committee personnel oversee algorithms and respond to identified exceptions, but each client’s account may not be regularly reviewed by such personnel. SW provides quarterly statements on client accounts that show account balances, account activity and profits (losses) of the accounts. These statements are delivered electronically and are made available through the SW website. Statements may be mailed to clients, at their request, for an additional fee.

SW reviews each Client's Account when it is opened, and continuously monitors and periodically rebalances each Client's portfolio to seek to maintain a Client's targeted risk tolerance and optimal return for the Client's risk level. SW also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. On a not less than annual basis, SW contacts each Client to remind them to review and update the profile information they previously provided. Portfolio management, investment selection, and ongoing governance will be provided by an investment committee consisting of John Gardner CFA®, Business Unit Leader of Invest, Advice, & Protect, William Tanona, Senior Vice President, Corporate Development and Investor Relations, Anthony Paquette, CFA, Business Unit Leader of New Business, International, and Treasury and Linda H Zhang, Ph.D, who is the CEO and the founder of Purview Investments.

## **Item 14**      **Client Referrals and Other Compensation**

SW runs promotional campaigns with various "affiliate marketing" websites to attract Clients to establish advisory relationship. These promotions include benefits such as reduced and/or waived advisory fees, additional advisory services, branded promotional items of nominal value (shirts, hats, etc.), favorable fee arrangements, and/or reduced or waived advisory fees for Clients. In the event a consumer establishes an advisory relationship with SW as result of an invitation presented via an affiliate marketing website, a referral fee is paid to the website operator. A disclosure is provided at the time the potential client is forwarded to a SW branded landing page and is again presented for acknowledgement at the time the advisory relationship is established, which describes the affiliate marketing relationship and discloses the compensation arrangement. Commonly, affiliate marketing websites are paid in the form of so-called CPM, CPC or CPA arrangements (respectively, impressions, clicks or acquisition through other websites). For example, SW advertises on various social media and other websites, including sites on which bloggers may write articles about SW and its products and/or services (as well as the products and services of SW corporate affiliates disclosed in Item 10). SW exercises no editorial control over such sites. These arrangements create an incentive for a third party or other existing Client to refer prospective Clients to SW. Depending on the agreed upon terms with the affiliate marketing website, these arrangements may also create a conflict of interest for a Client to maintain a certain level of assets managed through SW if doing so would result in eligibility to receive an incentive, bonus or additional compensation. Referral and solicitation programs are operated in compliance with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

## **Item 15**      **Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

SW is deemed to have custody of client funds and securities whenever SW is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody SW will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. SW provides instructions to SoFi Securities regarding the investment of the Client's assets. Advisory client assets are held by Apex Clearing, a member of FINRA and SIPC. SoFi Wealth, LLC electronically sends notifications that monthly or quarterly brokerage and custodial statements produced by Apex Clearing are available on its website to clients on an ongoing basis along with electronic transaction confirmations. These statements and confirmations may be delivered via mail for an additional fee at the client's request. These statements should be carefully reviewed by clients. SW encourages its clients to carefully compare reports and data provided by SW on its website to custodial and brokerage statements issued by Apex Clearing or other custodians.

### **Item 16**      **Investment Discretion**

When providing asset management services, SW requires discretionary authority over your account. You must designate our discretionary authority in our written client agreement. We will then have the authority to select investments for your account(s) without obtaining your consent for each transaction. Investors can select the recommended investment strategy or a different investment strategy that they choose. If investors select a strategy other than the recommended strategy, an electronic confirmation will be sent to the investor. Investors do not approve rebalancing and asset allocation executions. SW requires that an Account Agreement be completed by a Client who decides to retain SW as their investment advisor. Under the terms of the Account Agreement, SW assumes full discretionary trading and investment authority over the Client's assets held with the Broker and Apex Clearing.

### **Item 17**      **Voting Client Securities**

SW does not vote on proxy statements issued by the securities held in client portfolios. Proxies will be forwarded directly to clients' mailing addresses by Apex Clearing.

### **Item 18**      **Financial Information**

This Item is not applicable because SW does not require or solicit the prepayment of any advisory fees and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our clients.