



**Stash Investments LLC**

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Wrap Fee Program Brochure

**May 13, 2020**

This wrap fee program brochure provides information about the qualifications and business practices of Stash Investments LLC, doing business as or otherwise known as Stash ("Stash"), related to the wrap fee program sponsored by Stash, an online investment advisory program. Clients of the firm may be referred to as "the Client," "you," "your," collectively "Clients," or similar. If the Client has any questions about the contents of this brochure, please call Stash at (800) 205-5164 or email Stash at [support@stashinvest.com](mailto:support@stashinvest.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. Stash is an investment adviser registered with the SEC. Registration does not imply a certain level of skill or training.

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

## Item 2 - Material Changes

This Wrap Fee Program Brochure ("Brochure") is dated May 13, 2020. The following information provides a summary of material changes that have been made to this Brochure in 2020.

### **Other-than-annual amendment (January 8, 2020):**

- Item 9 (Additional Information) - This section was revised to reflect potential conflicts of interest associated with third-party partners.

### **Annual Filing of ADV part 2 (May 13, 2020):**

- Item 9 (Additional Information) - This section was revised to reflect that entities invested in Stash Financial's capital structure include public companies, which have issued and may in the future issue securities that are also recommended by Stash and which may enter into marketing arrangements with Stash.

The foregoing is only a summary of the material changes to the Brochure. It does not purport to identify every change to the Brochure since the last filing. This summary of material changes is qualified in its entirety by reference to the full discussion in the Brochure. Clients are encouraged to read the Brochure in detail and contact Stash with any questions.

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**Important Information:** Throughout this Brochure, Stash Investments LLC shall also be referenced by its business name “Stash,” or “the firm,” “our,” “we,” or “us.” In addition, the term “advisor” and “adviser” are used interchangeably.

## Item 4 - Services, Fees and Compensation

### Introduction

The primary focus of Stash is to provide investment advisory services, including a wrap fee program and financial counseling, which are offered to Clients as well as to prospective clients of the firm via web-based solutions and online informational resources. Stash helps Clients build smart financial habits and manage wealth by providing financial education, tools, and guidance, and simplifying and optimizing the way Clients save and invest. Stash is registered with the United States Securities and Exchange Commission (“SEC”) and provides all investment advisory services exclusively through virtual interaction conducted over the Internet. Stash does not offer tax, accounting, or legal advice.

Stash is a privately held company headquartered in New York, New York. Stash’s predecessor, Stash Financial Inc. (formerly known as Collective Returns, Inc.), a privately held digital financial services company offering financial products for U.S. based consumers (“Stash Financial”), was founded in October 2015. Stash was formed in August 2017, acquired all of the assets and liabilities of the investment advisory function of Stash Financial, and continued the investment advisory business as its wholly owned subsidiary. Information about Stash’s organizational and ownership structure, as described in more detail further below, and its directors is provided on Part 1 of Stash’s Form ADV which is available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Interested parties may access our website where they are offered our current Brochure that describes the firm, its services, potential fees, etc., as well as any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice. Our privacy policy is also provided for reference on our website. Both the Brochure and the privacy policy are available to interested parties for their download and/or printing.

### Referrals to Third Party Professionals

Stash and/or its affiliates may, from time to time, provide a referral to other unaffiliated third party professionals (“Third Party Professionals”). Unless otherwise indicated by Stash in writing, Stash does not undertake to, nor does it perform, specific due diligence regarding Third Party Professionals and such referrals do not constitute recommendations by Stash of the Third Party Professional or their services. Services provided by Third Party Professionals are distinct from those provided by Stash and its affiliates and additional terms of service may apply. Third Party Professionals may be different from the service providers that Stash and its affiliates use to provide the same or similar services due to regulatory limitations or other reasons.

### Program Description

This Brochure describes the wrap fee program offered by Stash that bundles or “wraps” non-discretionary investment advisory services, brokerage, custody, clearance, and settlement as well as other administrative

services together and charges a single inclusive fee (such program, the “Program”). The Program is designed to increase access to financial education, tools, and guidance that simplify saving and investing and inspire a long-term outlook on financial progress. By partnering with Clients to support them in creating healthy financial habits and building well-balanced, diversified portfolios that incorporate goals, interests, and beliefs, the Program encourages long-term, sustainable ownership and growth of financial capital.

Stash interacts with Clients primarily through a technology platform developed and maintained by an affiliate of Stash that is available through Stash’s website and mobile application (collectively, the “Platform”). The Program provides investment advice and delivers advisory services to Clients through the Platform. For select Clients, market insights reports, which are delivered primarily by email, also will be included as part of the advisory services provided under the program and described below. Stash does not generally provide investment advice in person, over the phone, live chat, or in any other manner other than through the advisory services available on the Platform. Stash’s parent company, Stash Financial, provides technology, marketing, technical, and back office support for the Program.

The Client is required to enter into an investment advisory agreement with Stash (“Advisory Agreement”), which discusses the services the Client will receive, the fees charged to the Client, and the conditions of the Client’s relationship with Stash. Our advisory relationship begins upon the effective date of the Advisory Agreement with the Client. Any preliminary discussions or recommendations provided to the Client before we accept the Advisory Agreement do not constitute investment advice under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and should not be relied on as such.

The Client’s participation in the Program also requires that the Client establishes a brokerage account (such account, a “Stash Account”) and enter into an agreement whereby Apex Clearing Corporation, a New York corporation and registered broker-dealer unaffiliated with Stash (“Apex”), will act as the clearing broker and qualified custodian for the Client’s Stash Account, and Stash’s affiliated broker-dealer, Stash Capital LLC (“Stash Capital”), will act as an introducing broker-dealer (such agreement, the “Customer Agreement”). Under the terms of the Customer Agreement, the Client authorizes Stash Capital to introduce all trades and transactions from Stash to Apex and authorize Apex to establish and carry the Client’s Stash Account that holds the Client’s securities and cash and records the Client’s transactions in the Program. Stash Capital may combine orders for purchases or sales for multiple Advisory Accounts.

Clients may receive Stash’s advisory services pursuant to the Program even before a Stash Account has been established, in which case the advisory services any such Client receives from Stash will be financial counseling services as described further below. In addition, Clients may continue to receive Stash’s advisory services pursuant to the Program even after any such Client’s Stash Account has been closed, in which case the advisory services any such Client receives from Stash will be financial counseling services.

## Market Insights Reports

Select Clients may receive, as part of the Program, a market insights offering, which is the production of a monthly market insights report on financial markets, sectors, industries, and the economy (“Market Insights Reports”). The Market Insights Reports, or excerpts thereof, may be distributed through the Platform and/or delivered by e-mail. Market Insights Reports include qualitative and/or quantitative analysis on financial markets. The purpose of the Market Insights Reports is to provide Clients education and other information on

an investment topic or topics, as well as data, statistics, and/or written analysis. Stash may also prepare commentaries such as market overviews, sector overviews, industry reports, and thematic insights, as well as various other types of reports that are a more condensed and/or targeted format than what is in our standard Market Insights Reports. Such commentaries and condensed reports are a variety of the Market Insights Reports.

## Financial Counseling Service

Stash also provides certain components of the Program as a distinct investment advisory service to select Clients who have unopened and/or closed Stash Accounts (due to a lack of funding, transaction inactivity, or otherwise) (such service, the “Financial Counseling Service”). The Financial Counseling Service is non-discretionary and includes, in its entirety or in part, the same or substantially similar investment recommendations and educational information based on financial and other information provided by each Client available under the Program. Certain aspects of Stash’s Financial Counseling Service include the delivery of investment advice on securities under the Advisers Act.

### Financial Counseling as a Separate Service

The Financial Counseling Service does not include brokerage services for Client assets. In such cases Stash will not place any trades on the Client’s behalf, and the Client is fully responsible for determining whether, when, and by what means to implement any analysis and recommendations made available through the Financial Counseling Service and for making the Client’s own investment decisions. The Client will be responsible for any fees and expenses incurred for such implementation.

## Program Limitations

Stash does not represent that the Program or the Financial Counseling Service is based on or meant to replace a comprehensive evaluation of any Client’s entire financial life considering all of the Client’s circumstances. Clients are fully responsible for determining whether and when to implement any recommendations provided by Stash. In addition, recommendations of Stash are generally limited in scope to the questions Stash asks and the information that Clients provide. Stash does not provide comprehensive financial planning, and there may be other relevant factors and financial considerations that Stash does not take into consideration in formulating the advice provided. Any recommendations provided by Stash are not intended to comprise any Client’s complete investment program because Stash is not necessarily aware of the Client’s aggregate investable and invested assets and does not manage Stash Accounts or any of the Client’s assets on a discretionary basis. Furthermore, neither the Program nor the Financial Counseling Service include or account for any assets held within an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended.

## Investment Recommendations

The Program is designed to encourage healthy saving and investing habits and provide Clients optimal exposure to capital markets. Through the Program, Stash offers access to automated guidance designed to help Clients save, invest, and learn about personal finance. Based on information provided by the Client, Stash uses the Platform to provide investment advice in the form of suggested publicly traded securities and/or

portfolios of such securities, including unaffiliated exchange-traded funds ("ETFs"), shares of stock of publicly traded companies ("Single Stocks"), and/or suggested allocations of ETFs and/or Single Stocks ("Allocations"), which are developed by Stash (collectively, "Investments"), as well as cash that earns interest through the Apex FDIC-Insured Sweep Program ("Sweep Program") in accordance with the [Sweep Program Terms and Conditions](#). Investments are selected such that Client portfolios are able to gain exposure to a broad range of companies, industries, economic sectors, geographic regions, social beliefs, and investment strategies. Stash's process for selecting Investments (discussed in greater detail further below) is designed to help Clients build portfolios diversified across asset classes and risk-reward estimations. Stash reserves the right to change, in its sole discretion from time to time and without prior notice to Clients: (i) the number of Investments available through the Program that it deems appropriate to address the risk tolerances and investment time horizons of Clients; (ii) the ETFs and/or Single Stocks that comprise each of the Allocations; and (iii) the relative weightings of the ETFs and/or Single Stocks within each of the Allocations.

Stash does not rebalance portfolios or otherwise manage Stash Accounts for Clients on a discretionary basis. Stash, through the Program, provides non-discretionary investment advisory services to each Client, and each Client is solely responsible for implementing any such advice. Clients make contributions to their Stash Accounts and are responsible for directing purchases and sales of specific Investments. For clarity, while Stash provides investment recommendations to Clients, Stash does not have authority to execute its investment recommendations on behalf of any Client without such Client's consent and approval of each specific transaction.

As part of the Program, Stash, through the Platform, will review the Client's present financial situation (as the Client reports it through the Suitability Questionnaire as defined below), provides the Client with financial educational content, provides the Client's Recommendations (as defined below) based on the Client risk score, monitors and tracks the Client's assets under management, and provide statements and confirmations for the Client's Stash Account. Each Client inputs personal information, including age, financial resources, investment temperament, and investment time horizon via an interactive questionnaire presented by the Platform, as part of each Client's registration process ("Suitability Questionnaire"). If the Client feels any of the questions are unclear or the Client does not understand why the information is being sought, please contact us at (800) 205-5164. Clients should take care when inputting answers or information. If the Client enters inaccurate information, the resulting Recommendations may not be suitable for the Client.

Based solely on certain of the information provided by the Client via the Suitability Questionnaire, the Platform uses an algorithm to analyze such information ("Risk Score Algorithm") and provides the Client with access to curated Investments and general recommendations regarding financial habits, diversification, and portfolio construction (such Investments and general recommendations, "Recommendations"). While Stash is responsible for maintaining the Risk Score Algorithm, Stash does not override the Risk Score Algorithm to provide alternative Recommendations to any particular Client, whether based on any additional criteria provided by the Client, market and/or economic conditions, or otherwise. Clients should understand that the Risk Score Algorithm relies upon answers to questions relating to risk tolerance (i.e., a proxy for the Client's ability and willingness to lose some or all the assets in the Client's account in exchange for greater potential investment returns) and investment time horizon (e.g., a proxy for how long the Client expects to invest in order to achieve the Client's investment goal) provided through the Suitability Questionnaire and that such answers serve as inputs to the Risk Score Algorithm, which generates a risk score that coincides with certain Recommendations. However, Clients should also understand that Stash does not utilize the entirety of all information provided by the Client in providing investment advice. Stash does not consider any additional

information about the Client not covered in the Suitability Questionnaire in making Recommendations. However, the Platform provides capabilities related to cash deposit frequency via its automated savings and transfer algorithm that relies on information other than that provided by the Client as part of the Suitability Questionnaire.

Stash generally adjusts its Recommendations from time to time in response to or in anticipation of changing market conditions and other factors. We will make Recommendations for Stash Accounts based on a combination of the risk tolerance and investment time horizon of each Client. For example, more conservative risk scores are typically associated with Recommendations that result in a greater percentage of assets allocated to fixed-income and cash asset classes, rather than to the equity asset class. However, more aggressive risk scores are typically associated with Recommendations that result in a greater percentage of assets allocated to the equity asset class, rather than to fixed-income and cash asset classes. The Client should consider carefully the Recommendations.

When participating in the Program, Clients are limited to the purchase of Investments made available to them through the Platform; however, Clients are not required to follow all Recommendations. Clients may, subject to certain restrictions, implement investment decisions and/or strategies via the Platform that do not coincide with the Recommendations. Furthermore, Clients may cause the Risk Score Algorithm to generate Recommendations based on a different set of investment characteristics including risk tolerance, objectives, and/or time horizon at any time by revising the information they provide through the Suitability Questionnaire. The Risk Score Algorithm is solely responsible for determining the Recommendations provided to each Client based on information provided by the Client. Clients are responsible for updating the Client's information through the Platform promptly should there be any changes in answers to questions in the Suitability Questionnaire.

The Recommendations provided to each Client have been identified by Stash to coincide with specific investment guidelines including risk tolerance and investment time horizon. While Clients may pursue investment strategies outside the scope of the Recommendations, each Client is solely responsible for any decision to invest available to them through the Platform. Clients should carefully review and consider the information available on the Platform about each Recommendation, in any applicable ETF prospectus, and in any applicable public company filing or report before making any investment decision. Clients may impose reasonable investment restrictions on the management of the Client's Stash Account by means of the Client's own investment discretion. Such restrictions may result in a Client's Stash Account being concentrated in one or a few sectors, industries, or securities. Concentrated positions typically increase the risk and volatility of the Stash Account and may result in a decrease in diversification. Clients who implement an investment decision that is outside the scope of the Recommendations should understand that such a decision may not be appropriate based on the Client's risk score and that the Client's portfolio may perform worse over any time horizon than a portfolio designed according to the Recommendations or any other investment strategy.

Stash uses a proprietary process to help generate the Recommendations made available to each Client through the Platform. Based on the application of Stash's proprietary process, which includes an analysis of Client supplied data on risk tolerance and investment time horizon, the Platform provides Recommendations for each Client. Stash's Recommendations are designed to help promote diversification and long-term growth as appropriate within the context of Client-specific risk tolerance and investment time horizon. Thus, depending on any particular Client's risk tolerance and investment time horizon, Recommendations may be made available on a full or limited scope basis. Once a Recommendation is identified for inclusion in the



Program, the Platform makes available to certain Clients such Recommendation as deemed suitable by Stash on an individual Client basis.

Stash's investment advice is primarily based on the following principles: (i) equities, as an asset class, generally have a high probability of outperforming other broadly accessible and liquid asset classes in the long-term, (ii) adjusted for fees, low cost passive investing (e.g., beta strategies), implemented using low-cost index-based ETFs, generally outperform high cost (e.g., alpha-seeking) active funds, (iii) fixed income assets hedge portfolios against equity drawdown (i.e., negative returns), (iv) diversification across asset classes reduces the volatility of investment performance, and (v) adapting investment advice to an investor's emotional biases and personal beliefs results in a greater commitment to consistent investing on the part of the investor.

Stash employs a variety of methods and approaches when considering Investments and making Recommendations. Furthermore, when selecting and monitoring Investments, Stash considers a number of qualitative and quantitative factors. Stash's primary sources of information for such considerations include, among others, data provided by third-party data providers and Client portfolio information from Apex, the third-party custodian for Stash Accounts.

The ETFs made available through the Program represent exposure to a broad array of strategies (e.g., conservative, modest, aggressive balanced risk funds), asset classes (e.g., small-cap, mid-cap, and large-cap US equities, fixed income, real estate, commodities), industries (e.g., healthcare, defense, consumer), and social beliefs (e.g., millennials, water focused, environmentally focused). In Stash's due diligence and analysis process, Stash focuses its evaluation on long-term issues related to the management of each ETF, both qualitative and quantitative. Qualitative factors may include fundamental changes in a manager's investment philosophy, organizational structure (e.g., manager tenure), and financial condition (including any significant changes in total assets under management). Quantitative factors may include adherence to fund objectives, performance, volatility, liquidity, and expenses. No single factor will determine whether an ETF should be added, retained, or eliminated; however, certain factors may carry more weight than others in Stash's final analysis.

With respect to the Single Stocks made available through the Program, Stash employs data-driven quantitative analysis and/or a combination of quantitative and qualitative analysis in order to implement and/or optimize the review and selection of Investments. Single Stocks are equity securities that are issued by companies representative of the U.S. stock market and economy, that have large market capitalization, that are highly liquid and actively traded on U.S. national stock exchanges, and that collectively represent a wide distribution of market betas when considering all of the Single Stocks made available through the Program. However, no single factor will determine whether a Single Stock should be added, retained, or eliminated, and certain factors may carry more weight than others in Stash's final analysis.

As part of the analysis and review process, Stash may add, remove, re-categorize or replace Investments available under the Program. In the event an Investment is removed, it will no longer be available for additional investing. In the event an Investment is removed and replaced with another substantially similar Investment, Stash may liquidate Client positions to cash and recommend reinvestment in the replacement Investment. In the event an Investment is re-categorized from a suitability standpoint, the Investment will no longer be recommended to the Client and may be liquidated to cash.

The ETF or Single Stock shares purchased or sold on behalf of a Client and/or held in a Stash Account may be either whole shares or fractional shares, depending upon the amounts a Client invests in any particular ETF or Single Stock. Stash enables Clients to invest in dollar-based quantities, whereby a Client can buy a fixed dollar amount rather than whole shares. Stash aggregates all dollar-based purchases, and Stash Capital introduces whole share orders to Apex for execution. Thereafter, Stash allocates the fractional shares to individual Stash Accounts. To the extent that Stash Capital trades fractional shares of any ETF or Single Stock on behalf of Clients, it does so by allocating any excess fractional shares to Stash's fractional facilitation account carried by Apex, and Stash in turn accumulates fractional shares and manages its fractional facilitation account through trades in whole share quantities in accordance with Stash and Apex's policies and procedures as they pertain to the management of such accounts and positions. Stash, Stash Capital, and Apex each reserves the right, at any time and each in its sole discretion, without prior notice to Clients, to change the details of the policies and procedures governing the mechanics of trading fractional shares, including, without limitation, allocation calculation and rounding procedures. Fractional shares are typically unrecognized and illiquid outside of a Stash Account and, as a result, fractional shares may not be marketable or transferrable to another brokerage account. In the event of a liquidation or transfer of the assets in a Stash Account to another account, Stash may convert such fractional shares to cash.

### Sweep Program

Generally, free credit balances, including any cash balances and funds pending for investment, in a Stash Account are automatically invested or "swept" daily, or at such other interval as determined by Apex, into one or more bank deposit accounts in accordance with the Sweep Program described in the [Sweep Program Terms and Conditions](#) available on the Stash website at <https://www.stashinvest.com/disclosurelibrary>. Cash provides liquidity and preservation of capital. The Client's cash is held in an FDIC-insured interest-bearing bank account at one or more banks participating in the Sweep Program. Clients should check their Apex account statements for the applicable interest rate.

As described in the Advisory Agreement, Clients are automatically enrolled in the Sweep Program. The Sweep Program earns interest and, generally, a portion of the amount earned is paid to Stash and or Stash Capital, Stash's affiliated broker-dealer. Stash Capital may provide various administrative services with respect to the assets participating in the Sweep Program and is compensated for these services. Due to the additional economic benefit to Stash and/or Stash Capital, when assets in the Client's Stash Account are invested in the Sweep Program that pays compensation to Stash and/or Stash Capital, a conflict of interest exists. Additional information about Stash's conflicts of interest, as well as the benefits Stash receives is noted in greater detail in Item 9 of this Brochure.

If the Client has questions relating to the Sweep Program, please call us at (800) 205-5164. For the services provided by Stash under the Advisory Agreement, and the custodial and brokerage services provided by the Custodian and the Broker under the Customer Agreement (if any), the Client agrees to pay a "per-account" or "per-tier" fee in order to establish and maintain one or more Individual Accounts (the "Stash Fee").

### Dividend Reinvestment

For Individual Retirement Accounts ("IRAs") and Roth IRAs (collectively, "Retirement Accounts") and UGMA/UTMA Accounts (as defined below) managed under the Program, dividends from investments are automatically reinvested. However, there exists no opt-out for such reinvestment. For Stash Accounts other

than Retirement Accounts and UGMA/UTMA Accounts (such Stash Accounts, “Personal Accounts”, dividend reinvestment is not currently offered under the Program.

### Retirement Accounts

When Stash acts in an investment advisory capacity, it has a fiduciary obligation to act in its Client’s best interests in accordance with the Advisers Act. Fiduciary status under the Advisers Act is different from fiduciary status under other laws, including the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or the Internal Revenue Code of 1986, as amended (the “IRC”). Therefore, the fact that Stash may be acting as a fiduciary under the Advisers Act does not mean that it is a fiduciary under any other law.

Stash may, in its sole discretion, impose limitations on the investment services and strategies that are available to Retirement Accounts including, but not limited to, the Apex Fully-Paid Securities Lending Program (“Securities Lending Program”) and the Sweep Program. If a Client maintains both Retirement Accounts and Stash Accounts other than Retirement Accounts, any advice or recommendations made by Stash for a Stash Account that is not a Retirement Account does not apply to and should not be used by the Client for any decision made by a Retirement Account, which may present different considerations.

## Risk Factors

The below summary of risk factors does not purport to be a comprehensive discussion of all the risks associated with a Client’s specific Stash Account. Rather, it is a general description of certain risks inherent in the Program. Clients should refer to Client’s Advisory Agreement and the prospectuses and shareholder reports for the ETFs and Single Stocks offered through the Program for additional information.

***Stash does not guarantee any level of performance or that any Client will avoid losses in the Client’s Stash Account(s). Any investment in securities involves the possibility of financial loss. When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk factors that change over time. Clients need to understand that investments in Stash Accounts are subject to various market, volatility, liquidity, asset-specific, and other risks inherent in investing. The investment decisions Clients make based on Stash’s advisory services will not always be profitable nor can Stash guarantee any particular level of investment performance. Clients should remember that past performance is no guarantee of future results. All investments carry some level of risk. Clients may lose some or all of the money they invest, including the principal, and should be prepared to bear the loss of assets invested.***

### Reliance on Technology

The techniques and methodologies utilized by Stash in offering investment advice are fundamentally dependent on technology, including hardware, software and telecommunications systems. The data gathering, research, forecasting, Recommendation generation, order execution, trade allocation, risk management, operational, back office and accounting systems, among others, utilized by Stash are all highly automated and/or computerized. Such automation and computerization are dependent upon an extensive amount of proprietary software and third-party hardware and software. Stash typically does not utilize design documents

or specifications when building its proprietary software. The proprietary software code thus typically serves as the only definitive documentation and specification for how such software should perform.

Stash's proprietary software and third-party hardware and software are known to have errors, omissions, imperfections and malfunctions (collectively, "Coding Errors"). Coding Errors in third-party hardware and software are generally entirely outside of the control of Stash.

Stash, however, seeks to reduce the incidence and impact of Coding Errors through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall Platform and often, with respect to proprietary software, in the software code itself. Despite such testing, monitoring and independent safeguards, Coding Errors may result in, among other things, the generation of unanticipated Recommendations, the failure to execute trades in a timely fashion, and/or the failure to properly gather and organize available data, all of which can and may have adverse (and potentially materially adverse) effects on Stash Accounts and/or the Client's performance.

Coding Errors are often extremely difficult to detect, and, in the case of proprietary software, the difficulty of detecting Coding Errors is exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some of these Coding Errors may go undetected for long periods of time and some may never be detected. The degradation or impact caused by these Coding Errors can compound over time. Moreover, Stash may detect certain Coding Errors that it chooses, in its sole discretion, not to address or fix. While Stash may not perform a materiality analysis on many of the Coding Errors discovered in its software code, Stash believes that the testing and monitoring performed on such software will enable Stash to identify and address those Coding Errors that a prudent person managing a digital investment program would identify and address by correcting the Coding Errors. Clients should assume that Coding Errors and their ensuing risks and impact are an inherent part of investing with a digital investment adviser such as Stash. Accordingly, Stash does not expect to disclose discovered Coding Errors to the Clients.

Stash seeks, on an ongoing basis, to create adequate backups of software and hardware where possible but there is no guarantee that such efforts will be successful.

Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, security breach, virus or other outside force, Clients may be materially adversely affected.

#### Reliance on Data

The Program is highly reliant on the gathering, cleaning, culling and analysis of large amounts of data from third-party and other external sources. It is not possible or practicable, however, to factor all relevant, available data into generating Recommendations. Stash will use its discretion to determine what data to gather with respect to any Recommendation and what subset of that data the Platform takes into account to generate Recommendations. The data used in the Program is obtained or derived from sources believed to be reliable, but Stash does not verify such data and cannot guarantee its accuracy and completeness. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, Stash at all times. In such cases, Stash often will continue to generate Recommendations based on the data available to it. Additionally, Stash may determine that certain available data, while potentially useful in generating Recommendations, is not cost effective to gather due to either the technology costs or third-party vendor costs

and, in such cases, Stash will not utilize such data. Clients should be aware that, for all of the foregoing reasons and more, there is no guarantee that any specific data or type of data will be utilized in generating Recommendations, nor is there any guarantee that the data actually utilized in generating Recommendations will be (i) the most accurate data available or (ii) free of errors. Clients should assume that the foregoing limitations and risks associated with gathering, cleaning, culling and analyzing large amounts of data from third-party and other external sources are an inherent part of investing with a digital investment adviser.

The Platform also relies on information provided by Clients in generating Recommendations. The Recommendations are highly reliant on the accuracy of the information provided to Stash by Clients. If a Client were to provide Stash with inaccurate information, this could materially impact the quality and applicability of the Recommendations. In addition, the Recommendations are limited in scope to the questions Stash asks through the Suitability Questionnaire.

#### Statistical Measurement Error

Many of the techniques and methodologies employed by Stash in offering investment advice rely on patterns inferred from the historical series of prices and other data. Even if all of the assumptions underlying such techniques and methodologies were met exactly, the techniques and methodologies can only rely on an underlying prediction of future financial market behavior, not afford certainty. There can be no assurance that future performance will match the underlying prediction. Furthermore, most statistical procedures cannot fully match the complexity of the financial markets and as such, results of their application are uncertain. In addition, changes in underlying market conditions can adversely affect the performance of any statistical technique or methodology.

#### Cybersecurity Risk

The information and technology systems of Stash and its affiliates, as well as of key service providers, including third-party vendors, central agents, exchanges, clearing houses, and other financial institutions (including Apex), are vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Stash, and thus indirectly the Stash Accounts, could be adversely impacted if any of the aforementioned parties is the subject of a cyber-attack or other information security event. Although Stash has (directly or through its affiliates) implemented various measures designed to seek to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Stash or a service provider to make a significant investment to fix or replace them and to seek to remedy the effect of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Stash's ability to transact business on behalf of Stash Accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information. While many investment advisers are subject to the same or similar risks in respect of their operations, these risks are particularly acute with respect to Stash due to Stash's fundamental dependence on technology.

#### Diversification Risk

Stash Accounts may be concentrated in particular geographic areas, industries, sectors, exchanges, strategies, types of Investments, issuers, companies, or other shared characteristics. Any such concentration would magnify risks associated with the Investments held in such Stash Accounts, including the risk of significant losses. While using a diversified portfolio to reduce risk is a widely accepted investment principle, diversification cannot reduce risk to zero, and the returns on a diversified portfolio during any given time period may be lower than the returns on one or more Investments concentrated in a geographic area, industry, sector, strategy, type of Investment, issuer, company, or other shared characteristic that was profitable during that time period. In general, less diversification will tend to expose the applicable Stash Account to greater volatility and/or risk than would be the case with a more broadly diversified portfolio. Even if a particular Stash Account were diversified, however, there can be no assurance that such diversification would reduce volatility or risk.

Furthermore, since the Program is non-discretionary, Stash Accounts may not always be diversified across markets, industries, geographic areas, or asset classes and because a Client may concentrate the Investments in a Stash Account in a few industries, economies, geographic areas, and asset classes, the negative impact on the value of the assets held in a Stash Account due to adverse movements in a particular economy or industry or in the value of particular Investments could be considerably greater than if the Program did not permit concentration in Investments to such a significant extent. If a Stash Account becomes concentrated in a limited number of Investments, such Stash Account's performance will not necessarily correlate with the performance of the markets on which Investments held by the Stash Account are traded. In such cases, any loss with respect to an Investment may have a significant adverse impact on the value of a Stash Account.

#### Risks Associated with Single Stocks

The value of Single Stocks fluctuates in response to issuing company, political, market, and economic developments. Fluctuations can be dramatic over the short as well as over the long term, and different parts of the market and different types of Single Stocks can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuing company, political, or economic developments can affect a single company, companies within an industry or economic sector or geographic region, or the market as a whole. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. Changes in the financial condition of a single issuing company can also impact the market as a whole. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry, or factors that affect a particular company, such as management performance, financial leverage, and reduced demand for the company's products or services. Terrorism and related geopolitical risks have also led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

#### Risks Associated with Newly Issued Securities

There are a variety of risk factors typically associated with investing in newly issued securities, any one of which may have a material and adverse effect on the price of the issuer's common stock. Such risk factors include the following:

- *Issuer's Lack of Operating History:* An issuer that has recently engaged in an IPO or other public offering may be in the early stages of development with a history of little or no revenues and may

operate at a loss following the offering. Such issuers are typically subject to the difficulties, uncertainties, and risks associated with the establishment of a new business such as manufacturing capability, limited production lines, lack of marketing expertise, the existence of more experienced or better capitalized competition, and reliance on a few large suppliers or customers.

- *Potential Volatility:* There can be no assurance that an active trading market will develop or be sustained following an IPO. Following an IPO, the market price for the securities may be subject to significant fluctuations in response to numerous factors such as lack of liquidity, general market volatility, and other factors unrelated to the operating performance of the issuer.
- *Additional Financing:* An issuer that operates at a loss or with limited cash flow following an IPO will generally be required to secure additional financing in order to fund its operation. If the issuer decides to issue additional equity securities, it is possible that their issuance will result in dilution of the interests of existing shareholders. To the extent that the issuer incurs indebtedness, the issuer will be subject to certain risks including interest rate fluctuations and inability to generate sufficient cash flow to make scheduled payments. In addition, indebtedness generally ranks prior to the common stock of an issuer for purposes of distributing the issuer's assets in the event of bankruptcy. There is also the possibility that the issuer will be unable to locate financing on satisfactory terms or may be required to significantly curtail its operations.
- *Dependence on Key Personnel:* An issuer is often highly dependent on the services of key technical and management personnel and loss of their services could have a material adverse effect on the issuer's business or operations.
- *Proprietary Rights and Licenses:* Because many issuers depend on proprietary and/or licensed technology in their operations, their success is therefore closely related to their ability to obtain and enforce intellectual property protection for such technology. There exists the possibility that certain patents would not be sufficiently broad to protect key aspects of the issuer's or its licensor's technology, so that competitors would be able to duplicate the issuer's products or that patent laws would not provide effective legal or injunctive remedies to prevent infringement. Patents are also frequently challenged, invalidated, or circumvented by competitors; litigation of patent or infringement claims may result in substantial cost and diversion of resources.
- *Business Expansion:* Rapid and substantial demand for products may lead to delays in meeting delivery schedules. Such delays, if recurring, can increase the risk that customers will seek to meet all or a portion of their needs from the issuer's competitors. To the extent that the issuer seeks to expand to meet demand, the costs of doing so may be underestimated.
- *Dependence on Key Suppliers:* Some issuers rely significantly on a limited group of suppliers to obtain product components or materials. If an issuer is unable to obtain sufficient quantities or such components or materials fail to meet specifications, delays or reductions in shipments may result.
- *Dependence on a Limited Number of Customers:* An issuer's primary customer base may be limited to a small number of customers, loss of any one of which could have a material adverse effect on the issuer's business and financial condition.

- *Competition:* Most issuers experience significant competition in their product lines from other companies, including larger companies, which have access to greater financial, technical, and other resources. It may be difficult for an issuer to continue to make investments necessary to maintain its competitive position.
- *Rapid Technological Change:* Issuers are subject to technological changes and are susceptible to the risk that future technologies will render those products or technologies obsolete. Such issuers may be unable to develop or introduce new products or enhancements to existing products and processes in a timely enough manner to achieve market acceptance or satisfy customer needs.

### Risks Associated with ETFs

ETFs are subject to the fees and expenses of the ETF, which may include a management fee, other fund expenses and a distribution fee. A Client's positions in ETFs are subject to a number of risks associated with the management and market conditions of the ETF. These include (but are not limited to):

- *Delisting:* An ETF may be delisted and liquidated at the discretion of its issuer. Should a Stash Account hold a position in an ETF when it is delisted, such Stash Account may be subject to costs associated with the ETF's liquidation, counterparty risk against the issuer, and additional taxes due to cash distributions from the liquidation.
- *Market Maker Instability:* The supply and demand of ETF shares are kept in balance by its authorized participants. The authorized participants of an ETF may, purposefully or by mistake, destabilize the supply-demand balance of an ETF, causing tracking error of the ETF to its constituent securities that may negatively affect the value of the ETF.
- *Hidden Illiquidity:* The liquidity of an ETF is determined not only by the ETF's own market liquidity but how easy or difficult it is to transact in the ETF's constituent securities. If one or more of an ETF's constituent securities becomes difficult to buy or sell, the ETF may become difficult to transact or experience tracking error that negatively affects the value the ETF. As a result, the market price of ETF shares could experience significant premiums or discounts relative to the value of the assets underlying the shares.
- *Constituent Fluctuation:* Many ETFs attempt to track their underlying indices closely. However, the issuer may in its discretion temporarily introduce securities to the ETF that are not part of the index. This may introduce additional risks and tracking error that may negatively affect the value of the ETF.
- *Additional Taxation:* Depending on the ETF's structure, investors may be subject to additional taxation on distributions from ETFs.

### Risks Associated with Real Estate Related Securities

Real Estate Investment Trusts ("REITs") are subject to the risks incident to the ownership and operation of real estate generally. Some of the risks associated with REITs are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes



and operating expenses, changes in zoning laws, losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.

### Interest Rate Risks

Stash Accounts may be subject to interest rate risk in connection with the constituent debt securities of ETFs. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Interest rate risks may include the directional movement in interest rates, correlation of rates, and volatilities of interest rates.

### Frequent Trading and Portfolio Turnover Risk

High turnover and frequent trading in a Stash Account could result in, among other things, higher transaction costs (including implicit transaction costs such as the bid–ask spread, market impact, opportunity costs, and trade delay costs) and, to the extent applicable, adverse tax consequences.

### Hypothetical Performance and Projected Returns

Projected returns are hypothetical, do not reflect actual investment results, and are not guarantees of future results. Such projected performance is subject to a number of limitations and assumptions designed to determine the probability or likelihood of a particular investment outcome based on a range of possible outcomes. It is possible that any of those assumptions, including retirement age, may prove not to be accurate. In addition, performance of any Investment, a Client's Stash Account, or other accounts or investment portfolios may differ materially from investment gains and avoidance of investment losses projected, described, or otherwise referenced in forward-looking statements, and the projected returns associated with any Investment may not materialize.

### Limited Nature of the Recommendations

In addition to the risks described in "Cybersecurity Risk" and "Reliance on Data" above and "Limited Nature and Scope of the Program" below, the use of algorithms such as the ones underlying the Recommendations carries the risk that changes to the algorithm's code, although subject to compliance controls and quality assurance testing, may not have the desired effect with respect to Client accounts. While this risk increases if changes to an algorithm are insufficiently tested prior to implementation, even extensively tested changes may not produce the desired effect over time. The Platform relies on a limited universe of inputs to generate Recommendations for each Client from a limited universe of possible outputs. In particular, the Platform currently generates Recommendations based on a Client's responses to questions relating to risk tolerance and investment time horizon, in each case as provided by the Client through the Platform and does not verify the completeness or accuracy of such information or consider any information regarding outside assets, concentration, debt, or other accounts a Client may have with Stash, any of its affiliates, or with any third party. The Platform relies on this information regarding the Client's risk tolerance and investment time horizon to generate Recommendations for the Client from a limited number of Investments, Allocations, and or general

recommendations. The Platform assumes that each combination of relevant responses maps to a particular combination of Recommendations available in the Program. And each Client may, subject to the procedures and limitations described above, select any combination of Investments and/or Allocations made available to them through the Platform. The functionality of the Platform is partly dependent upon information provided by the third-party Custodian, Apex, and other external sources, meaning that performance of the Platform could be impacted by issues with the delivery or the accuracy of the information provided.

#### Limited Nature and Scope of the Program

The Program does not provide comprehensive financial or tax planning or legal advice, and Clients are advised and afforded the opportunity to seek the advice and counsel of the Client's own tax, financial, and legal advisers. Neither Stash nor any of its affiliates is responsible for establishing or maintaining any Stash Account's compliance with the requirements of the Internal Revenue Code for a Traditional IRA or Roth IRA, or any other type of account that may be offered through the Program or determining any Client's individual tax treatment regarding such account. Furthermore, neither Stash nor any of its affiliates is responsible for withholding any tax penalties that may apply to Clients' Stash Accounts or for any state or federal income tax withholding, except as may otherwise be required by applicable law. Stash's Recommendations are limited based on the information Clients provide through the Platform, the limitations of which are further discussed above. Clients should take into consideration the limited nature of the Program in evaluating the Recommendations provided through the Platform. Furthermore, the Program: (a) is not a complete investment program; (b) does not account for multiple investment goals; (c) does not consider outside assets, concentration, debt, or other accounts a Client may have with Stash, any of its affiliates, or with any third party; (d) offers a limited number of Investments, Allocations, and general recommendations (e) may not be suitable for all investors; and (f) relies on the information provided by Clients in providing investment advice, and does not verify the completeness or accuracy of such information. There could be one or more products available in the investment community that are more appropriate than the investment products made available through the Program. Given the inherent limitations of the Program, Clients should carefully consider whether the Program is the right investment solution for their savings and investing needs.

#### Dependence on Key Individuals

Management of portfolios is dependent on the experience and expertise of the investment team. In the event of death, disability, or departure of any such persons, Stash's business could be adversely effected.

#### Low Trading Volume Risk

Low trading volume risk is the exposure to the chance that a Client may not be able to monetize the Client's investment or will have to do so at a loss as a result of generally lower trading volumes of the Investments compared to other types of investments or financial instruments.

#### Market and Volatility Risk

The value of the Investments held in a Stash Account may decrease (potentially dramatically). Generally, the market value of Investments may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. Price movements of Investments are also influenced

by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Investments are also subject to the risk of the failure of any of the exchanges on which they trade or of their clearinghouses.

### Operational Risk

Operational risk is the exposure to the chance of loss arising from shortcomings or failures in internal processes or systems of Stash, its affiliates, or Apex, external events impacting those systems, and human error. A Stash Account may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Trade errors and other operational mistakes (“Operating Events”) occasionally may occur in connection with Stash’s management of Stash Accounts. Stash has policies and procedures that address identification and correction of Operating Events. An Operating Event generally is compensable by Stash to a Client when it is a mistake (whether an action or inaction) in which Stash has, in Stash’s reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in managing a Stash Account, subject to the considerations set forth below.

Operating Events may include, but are not limited to, the following: (i) the placement of orders (either purchases or sales) in excess of the amount of Investments intended to trade for a Stash Account; (ii) the purchase (or sale) of an Investment when it should have been sold (or purchased); (iii) the purchase or sale of an Investment not intended for the Stash Account; and (iv) incorrect allocations of trades. Operating Events can also occur in connection with other activities that are undertaken by Stash and its affiliates, such as fee calculations, trade recording and settlement, and other matters that are non-advisory in nature.

Stash makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices. Not all Operating Events will be considered compensable mistakes. Relevant factors Stash considers when evaluating whether an Operating Event is compensable include, among others, the nature of the service being provided at the time of the event, specific applicable contractual and legal requirements and standards of care, whether an applicable investment guideline was contravened, and the nature of the relevant circumstances.

Operating Events may result in gains or losses or could have no financial impact. Clients are entitled to retain any gain resulting from an Operating Event. Operating Events involving erroneous transactions in Stash Accounts generally are corrected in accordance with the procedures established by Stash, Stash Capital, and/or Apex.

When Stash determines that reimbursement by Stash is appropriate, the Client will be compensated as determined in good faith by Stash. Stash will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to

the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to related transactions, and/or other factors Stash considers relevant. Compensation generally will not include any amounts or measures that Stash determines are speculative or uncertain.

#### Financial Difficulties of Institutions and Custodians

There is a possibility that institutions, including brokerage firms and banks with which we do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair operational capabilities.

#### Order Execution Risk

Stash and its affiliated broker-dealer, Stash Capital, are authorized by each Client to place and execute, respectively, transactions on such Client's behalf and at each Client's direction. Furthermore, Stash Capital is authorized by each Client to introduce orders to Apex for clearance and settlement. Stash Capital executes securities transactions as soon as reasonably practicable after combining them into larger orders for aggregate transactions including transactions of other Stash Accounts under the Program. However, for numerous reasons there could be material delays in the amount of time it takes Stash, or Stash Capital, to execute each transaction. Any delays in placing or executing transactions could reduce, perhaps materially, any profit earned in each Stash Account or could cause a material loss.

Stash Capital generally executes transactions by placing "market orders". A "market order" is an order to buy or sell an Investment immediately at the best available current price. Because market orders are executed immediately (as opposed to an order that specifies a target price at which the security should be bought or sold and remains open for a longer period of time, during which the price of the security may or may not hit the target price) market orders bear inherent risks, particularly in times of high volatility and for Investments that are thinly traded. This could result in Clients paying a higher purchase price or receiving a lower sale price when Stash places market orders on the Client's behalf. Stash may, at its discretion use other order types and conditions (e.g., time-in-force), as appropriate, to achieve best execution.

#### Securities Lending Risk

Stash offers the ability for Personal Accounts to enter into the Securities Lending Program. Under this arrangement, Client's loan securities held in the Client's Stash Account to counterparties in exchange for collateral. Clients may earn income from these arrangements by collecting finance charges on the loans. These returns are shared between Clients, Stash Capital, Stash's affiliated broker-dealer, and Apex. There exists counterparty risk that the borrower of the securities or Apex could default which would necessitate the liquidation and distribution of the collateral. Additional information about Stash's conflicts of interest, as well as the benefits Stash receives is noted in greater detail in Item 9 of this Brochure.

#### Regulatory Changes

It is possible that changes in applicable laws and regulations may affect Stash's operations. In addition, a number of substantial regulatory changes are pending or in the process of changing. However, the consequences of additional regulation on the liquidity of markets and the functioning of the Program (and,

possibly, on Stash itself) cannot be predicted and may materially affect the investment advisory services offered by Stash.

## Taxes

The Client is responsible for all tax liabilities and tax-return filing obligations arising from the transactions in the Client's Stash Account or any other investment advice offered by Stash. We do not, and will not, offer tax advice to the Client and we strongly encourage the Client to seek the advice of a qualified tax professional. The Client should also understand that we are not responsible for attempting to obtain any tax credit or similar item or preparing and filing any legal document (including, but not limited to, proofs of claim) on the Client's behalf. Rebalancing, liquidations, redemptions, and other changes to Investments available under the Program may cause the Client to recognize taxable gains or losses (and the Client may be obligated to pay other charges), and any other resulting tax liabilities and tax-return filing obligation will be solely the Client's responsibility.

## Fees

As stated under Investment Recommendations, for the services provided by Stash under the Advisory Agreement, and the custodial and brokerage services provided by the Custodian and the Broker under the Customer Agreement (if any), the Client agrees to pay a "per-account" or "per-tier" fee in order to establish and maintain one or more Individual Accounts. For the avoidance of doubt, Financial Counseling Services are services provided by Stash under this Advisory Agreement and under the Program, and, accordingly, the Stash Fee as described herein is due if the Client is receiving such services.

### **A. Per-Account Fees**

Unless the Client has elected to receive a Platform Tier Service, the Stash Fee is a "per-account" fee. The Stash Fee applicable to any Stash Account other than an IRA is \$1 per month for such account, regardless of the value of the Stash Account. The Stash Fee applicable to any IRA is \$2 per month, regardless of the value of the IRA. Any discount in the Stash Fee, as compared to the Stash Fees as calculated on a per-account basis with respect to the individual Stash Accounts included therein, shall be allocated in its entirety to the IRA.

### **B. Tier Fees**

Stash may offer services provided by Stash under this Advisory Agreement, and the custodial and brokerage services provided by the Custodian and the Broker under the Customer Agreement (if any), on a "tiered" basis (a "Platform Tier Service"). If the Client has elected to receive services through a Platform Tier Service, the Stash Fee is a "per-tier" fee, which services may include one or more Individual Accounts. The amount of the Stash Fee applicable to a Platform Tier Service varies per type, as described below. There are currently three types of Platform Tier Services, referred to herein as Tier 1, Tier 2, and Tier 3, but which may vary by name. Any non-advisory services provided in connection with any of the Platform Tier Services are provided by one or more affiliates of Stash. Unless otherwise agreed by Stash in writing or through separate notice from a Stash affiliate, in cases where such non-advisory services are made available, such engagement does not result in an investment advisory relationship with Stash, and Stash has no corresponding fiduciary duty with respect to such services.

In the case the Client elects to purchase the Tier 1 Platform Tier Service, such service will include the Program as it relates to one taxable brokerage account. The amount of the Stash Fee charged for the Tier 1 Platform Tier Service is the same as the per-account Stash Fee applicable to an Individual Account other than an IRA, as described in Section A above (i.e., \$1 per month).

In the case the Client elects to purchase the Tier 2 Platform Tier Service, such service will include the Program as it relates to one taxable brokerage account and one IRA. The amount of the Stash Fee charged for the Tier 2 Platform Tier Service is \$3 per month. Any discount in the Stash Fee, as compared to the Stash Fees as calculated on a per-account basis with respect to the individual Stash Accounts included therein, shall be allocated in its entirety to the IRA.

In the case the Client elects to purchase the Tier 3 Platform Tier Service, such service will include Market Insights Reports, as described in Attachment F hereto. Clients who purchase such service, at the Client's option, also will receive the Program as it relates to one taxable brokerage account, one IRA, and two UGMA/UTMA accounts, and the per-account Stash Fee applicable to such Individual Accounts will be waived so long as the Client is paying the fee for such service as described below. The amount of the Stash Fee charged for the Tier 3 Platform Tier Service is \$9 per month.

In the event the Client purchases the Tier 3 Platform Tier Service and desire to open more than two UGMA/UTMA accounts, the Stash Fee applicable to any such additional account is the per-account Stash Fee applicable to an Individual Account other than an IRA, as described in Section A above (i.e., \$1 per month). Any discount in the Stash Fee applicable to the Platform Tier Service, as compared to the Stash Fees as calculated on a per-account basis with respect to the individual Stash Accounts included therein, shall be allocated in its entirety to the IRA.

### **C. Ancillary Fees**

The Stash Fee includes most of the investment expenses that are typically paid by investors, such as: account establishment/maintenance expenses, investment advisory fees, and brokerage fees. Expenses that are excluded from the Stash Fee and for which the Client is independently responsible, if incurred, are listed on Attachment D, which is incorporated by reference herein. The Stash Fee does not include fees charged by each ETF's managers or other fees and expenses that are reflected in the price of ETF shares. In addition, Stash, Stash Capital and/or the Custodian may charge fees in addition to the Stash Fee for ancillary services as disclosed in Attachment D to this Advisory Agreement. In particular, and notwithstanding anything to the contrary in this Advisory Agreement, the Client agrees that, pursuant to the Customer Agreement, if the Client requests the preparation and delivery of paper documents that Stash, the Broker, and/or the Custodian normally provides in electronic form or that Stash, the Broker, and/or the Custodian is not required to provide in paper form, Stash, the Broker, and/or the Custodian charge additional fees for the preparation and delivery of such paper documents. From time to time, in their sole discretion, Stash, the Broker, and/or the Custodian may adjust the amounts or types of fees they charge for ancillary services. Fees for ancillary services will be deducted from one of either the Client's Stash Account or the Client's Funding Account in the same manner as the Client is charged for the Stash Fee. The Client may obtain the current schedule of such fees and services through the Website or by contacting Stash at (800) 205-5164 or by sending an e-mail to [support@stashinvest.com](mailto:support@stashinvest.com). Stash Capital shares in certain fees paid by the Client to the Custodian or otherwise (including, without limitation, additional fees for the preparation and delivery of paper documents, account transfers and other services) and shares in certain revenue paid to Apex through money market or bank sweep programs and/or fully paid for securities lending programs, which create a conflict of interest for Stash in

performing its services pursuant to this Advisory Agreement. Furthermore, certain of Stash's affiliates earn revenue from third parties in connection with and resulting from non-advisory services provided to the Client through such affiliates, which creates a conflict of interest for Stash in performing its services pursuant to this Advisory Agreement. In particular, a Stash affiliate shares in certain fees paid or generated by Client in connection with the provision of the Stash Debit Card to Client. Stash will not be precluded by any such conflict from exercising its judgment in the Client's best interest.

#### **D. Other Terms and Conditions of Stash Fees**

Unless otherwise agreed between the parties hereto, the Stash Fee is payable monthly in advance and will be billed during the monthly period for which the services are performed. The monthly billing period is each calendar month. The Stash Fee is determined as described in Sections A and B above. In the event of the closure of the Client's Individual Account and/or Platform Tier Service (as applicable) and termination of this Advisory Agreement, Stash shall refund any and all pre-paid fees in excess of \$0.50, which is retained to cover administrative costs related to closing the account(s) including, but not limited to, data entry on the part of employees of Stash. Unearned pre-paid fees will be calculated and refunded based upon the number of days remaining in the applicable billing month (e.g., the number of days remaining in the calendar month in which the Stash Account is closed or Platform Tier Service is cancelled) and any whole months that were prepaid. The number of days in each billing period in respect of which payment is being made is calculated on the basis of a year of 360 days with 12 30-day months.

Stash reserves the right to discount or waive any fees associated with the Program in its sole discretion.

The Stash Fees vary as Stash's services themselves vary. This will result in one client paying different fees (as applicable) than another Client for similar services. In addition, lower fees for comparable services described may be available from other sources. The Stash Fee shall be deducted from one of either the Client's Stash Account or the Client's Funding Account, as described below, or paid by certain debit and/or credit cards if permitted by Stash in its sole discretion. Stash generally deducts the Stash Fee from either the free cash balance in the Client's Stash Account or from the Client's Funding Account; however, Stash may, as necessary and in its sole discretion, sell securities in the Client's Stash Account to generate free cash in order to deduct the Stash Fee. In the event a Stash Account balance falls below the Minimum Balance, Stash may in its sole discretion deduct the entirety of the balance of the Stash Account (whether such balance is in cash or securities) when such balance is less than the Stash Fee in lieu of collecting the Stash Fee otherwise due.

The Client authorize and direct Stash and Stash Capital to deduct the Stash Fee directly from the Client's Funding Account and/or to instruct the Custodian to sell, as necessary, securities in the Client's Stash Account and to transfer money out of the Client's Stash Account to pay Stash the Stash Fee and, if any, other fees due under or as described in this Advisory Agreement. the Client agrees and acknowledges that such fee deduction may trigger rebalancing of the Client's Stash Account, in accordance with Stash's rebalancing procedures and portfolio management system, including as described in this Advisory Agreement. Fees deducted from the Client's Stash Account will be reflected in the account statements provided to the Client by the Custodian.

The Client agree and acknowledge that the Client is responsible for paying any and all fees, including, without limitation, the Stash Fee, that the Client owes pursuant to this Advisory Agreement. the Client is responsible for maintaining complete and accurate billing and contact information with Stash. the Client acknowledges that such fees may change from time to time and will be available on the Website and in the Brochure (as defined

below). In the event of a change in fees, Stash will provide the Client notice electronically on the Website. The Client agrees to check the Website from time to time for updates to the Stash Fees applicable to the Client.

The Client acknowledges that Stash designed the Program with frequent investing in mind and that the fee structure might not be economical or appropriate for individuals looking to make few or infrequent small-dollar investments. The Client acknowledges that the Stash Fee may exceed the aggregate costs of purchasing separately the products and individual services that comprise the advisory services and the brokerage services offered through the Program. The Client acknowledges that if the Client's Stash Account(s) has or have a value equal to or less than the applicable value at which the Stash Fee converts to a variable monthly pricing model, the Stash Fee is charged as a fixed fee that does not vary based on the size of the Client's Stash Account(s) and accordingly, the overall Stash Fee paid may be disproportionately high relative to the value of the Client's Stash Account(s). The Client further represent and warrant, and have determined, that the Stash Fee is reasonable irrespective of whether the Client's Stash Account has a value greater or less than the applicable conversion threshold.

Unless otherwise stated, the Stash Fee does not include any direct or indirect local, state, federal, or foreign taxes, levies, duties or similar government assessments of any nature, including value-added, use, or withholding taxes (collectively, "Taxes"). The Client is responsible for paying all Taxes associated with the Client's participation in the Program, excluding taxes based on Stash's net income or property. If Stash and/or the Custodian has the legal obligation to pay or collect Taxes for which the Client is responsible under this section, the appropriate amount shall be invoiced to and paid by the Client, unless the Client provides Stash and/or the Custodian with a valid tax exemption certificate authorized by the appropriate taxing authority. When the Client withdraw money from the Client's Stash Account, the Custodian may reduce the amount of the distribution by the amount of any tax mandatory withholding as required by applicable law. In addition, the Client has the ability to request that Stash withhold state and/or federal taxes from any withdrawal the Client make from the Client's Stash Account by sending an e-mail to [tradingops@stashinvest.com](mailto:tradingops@stashinvest.com), and Stash will communicate such request to the Custodian. Notwithstanding the foregoing, Stash will not be responsible for the accuracy or timeliness of any such withholding effected or remitted by the Custodian, and will not be liable to withhold any penalties incurred by the Client in connection with the Client's obligation to pay Taxes associated with the Client's participation in the Program. As more fully described in Section 10, the Client acknowledges and agrees that Stash does not provide tax advice.

## Brokerage and Custody Services

With regard to the Program, Stash has an arrangement with Apex, a third-party qualified custodian, through which clearing and custody services are provided to Clients. Brokerage services are provided through Stash's affiliated broker-dealer, Stash Capital. Apex and Stash Capital are FINRA and SIPC members<sup>1</sup>, and SEC registered broker-dealers. Additional information about these entities and their services, as well as the benefits Stash receives from them is noted in greater detail in Item 9 of this Brochure.

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<sup>1</sup> Stash is not, nor required to be, a FINRA or SIPC member. Information about the Financial Industry Regulatory Authority (FINRA) may be found on its website, [www.finra.org](http://www.finra.org). The Client may learn more about the Securities Investor Protection Corporation (SIPC) and how it serves member firms and the investing public by visiting its website at [www.sipc.org](http://www.sipc.org).



Stash has established policies and procedures for the timely return of any securities, funds or other assets that are inadvertently received by Stash from a Client or third party.

## Item 5 - Account Requirements and Types of Clients

The Program is available for, and provided to, individuals who are U.S. citizens, or lawful residents of the U.S. for tax purposes who have a social security number or ITIN, are located in the United States, and maintain a checking account with a U.S. bank. Participation in the Program requires that the Client successfully complete a new account application, including submitting various personally identifiable information required by U.S. federal law.

The minimum initial deposit is \$5.00. Clients may elect through the Platform to make one-time or recurring deposits in whole dollar amounts of \$5.00 or more on a weekly, biweekly, or monthly basis. Stash may not provide withdrawal functionality through the Platform for all products, especially products such as tax-advantaged accounts that may incur tax penalties in certain withdrawal situations. Where withdrawal functionality is not provided through the Platform, Stash may require Clients to initiate or confirm withdrawals by contacting its customer support team via email at [support@stashinvest.com](mailto:support@stashinvest.com) or via telephone at (800) 205-5164.

The minimum balance for maintaining a Stash Account in the Program is \$1 for Personal Accounts and UGMA/UTMA Accounts and \$2 for Retirement Accounts (the "Minimum Balance"). Stash reserves the right to terminate any Client's Stash Account if it does not maintain the Minimum Balance. In the event a Stash Account balance falls below the Minimum Balance, Stash may in its sole discretion deduct the entirety of the account balance and close the account in lieu of collecting the Stash Fee.

## Item 6 - Portfolio Manager Selection Evaluation

As also discussed above, Stash provides non-discretionary investment advisory services and does not exercise discretion over Stash Accounts or other Client assets. Clients construct the Client's own portfolios utilizing the Recommendations presented through the Platform. While Clients are ultimately responsible for implementing the Recommendations generated by the Platform, they are under no obligation to do so. Neither Stash nor any of its supervised persons or related persons act as a portfolio manager for any of the ETFs available through the Program. The ETFs available under the Program are managed by the relevant fund manager. Stash does not otherwise control or receive compensation from ETF managers.

Although Stash reviews the performance history of ETFs available under the Program, Stash does not calculate or audit the information for accuracy, verify the appropriateness of the methodology on which the performance is calculated or verify whether the performance complies with Global Investment Performance Standards or any other standard for performance calculation. Furthermore, past performance may not be indicative of future results and, as such, Clients and prospective clients should not place too much emphasis on ETF performance information.

As also discussed above, Stash has developed a process focused on identifying and evaluating the investment criteria for Investments available under the Program. An investment committee has oversight of such criteria.

## Item 7 - Client Information Provided to Portfolio Managers

Stash, through the Platform, generates Recommendations based on the information about a Client's risk tolerance and investment time horizon, in each case as provided by each Client as part of the Suitability Questionnaire. Other information collected by Stash through the Platform may include, among other things, information about a Client's identity, liquidity, age, e-mail address, physical address, location, nationality, citizenship, tax residency, or other information that is supplied to Stash through the Platform.

## Item 8 - Client Contact with Portfolio Managers

Clients may contact Stash's customer support team via email at [support@stashinvest.com](mailto:support@stashinvest.com) or via telephone at (800) 205-5164 with respect to technical questions and service issues regarding the Platform. However, Stash provides investment advice solely through the Platform. Stash personnel do not offer investment advice via email or telephone.

## Item 9 - Additional Information

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Stash's advisory business or the integrity of Stash's management. Stash has no reportable material legal or disciplinary events to disclose related to Stash or any of its management persons.

In the ordinary course of its business, Stash and its employees have in the past been, and may in the future be, subject to periodic audits, examinations, claims, formal and informal regulatory inquiries, requests for information, subpoenas, investigations, and legal or regulatory proceedings, involving the SEC, other regulatory authorities, or private parties.

Additional information about Stash's advisory affiliates is contained in Part 1 of Stash's Form ADV.

### Other Financial Industry Activities and Affiliations

Stash is a wholly-owned subsidiary of Stash Financial, which is also the parent company of Stash Capital. Other subsidiaries of Stash Financial include Stash Insurance Services LLC and Stash Cash Management LLC ("Stash Cash Management"). Stash is neither registered nor has an application pending to register as a Financial Industry Regulatory Authority (FINRA) member firm, nor is Stash required to be or to do so.

Stash uses, suggests and/or recommends its own services or the services of affiliated entities in connection with Stash's advisory business. Stash shares resources with and/or delegates certain of its trading, advisory and other activities for Clients to affiliated entities. The particular services involved will depend on the types of services offered by the affiliate. The arrangements may involve sharing or joint compensation, or separate compensation, subject to the requirements of applicable law. For instance, Stash Capital and Stash Financial provide services to support Stash per an intercompany agreement. These services may include brokerage services, customer technical support, marketing functions, operational support, and other types of services. Furthermore, certain management and operational functions with respect to the Program are performed by employees of Stash Financial who are subject to the control and supervision of Stash, pursuant to an employee sharing arrangement between Stash and Stash Financial. Other particular relationships may include, but are not limited to, those discussed below.

Stash's affiliates will retain any compensation when providing investment services to, or in connection with investment activities of, Stash Accounts or Clients, subject to applicable law. Compensation may take the form of commissions, markups, markdowns, service fees or other commission equivalents. Stash Accounts or Clients will not be entitled to any such compensation retained by Stash's affiliates.

Stash from time to time enters into partnerships with third parties to offer promotions, benefits, and other rewards programs to its clients. In connection with such programs, Stash may receive a benefit in the form of compensation or other consideration from certain of its third-party partners, at no cost to its clients. Further,

Stash may recommend certain of these third-party partner's securities as an investment option to its clients, which may result in a conflict between Stash and its clients.

#### Broker-Dealer

Stash's affiliate Stash Capital is registered with the SEC as a broker-dealer. Certain of Stash's personnel, are registered representatives of Stash Capital to the extent necessary or appropriate to perform their responsibilities. Stash Capital primarily introduces Clients to full-service carrying brokers, currently Apex exclusively. Stash and Stash Capital have overlapping officers, personnel and share office space and certain expenses. Certain Stash management persons are also registered representatives of Stash Capital as necessary or appropriate to perform their responsibilities. More specifically, the following employees of Stash are associated persons with Stash Capital, an affiliate of Stash under common control of Stash Financial: Stash CEO Brandon Krieg, Broker Dealer Compliance Manager Samantha Lucas, and Director of Broker Dealer Compliance Sam Kopkind are registered principals of Stash Capital, which is a FINRA member and introducing broker-dealer for Apex.

Stash requires that Clients use the execution services offered by Stash Capital. For the avoidance of doubt, Stash places Client trades with Stash Capital, which executes such trades on behalf of Clients. Trades are cleared and settled by Apex, an unaffiliated clearing broker and qualified custodian for Stash Accounts. Stash Capital may also engage in principal transactions. In each such instance, Stash expects to seek to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act. Stash Capital may receive compensation when acting as a broker-dealer executing transactions for Stash Accounts. In addition, Stash may receive fees, cash credits or other benefits from exchanges and other market centers to which it, as broker, routes order flow based on the volume and type of order flow routed and whether the order contributes or extracts liquidity from the given market.

#### Compensation Associated with Non-Investment Affiliated Entities

Other wholly-owned subsidiaries of Stash Financial include Stash Insurance Services LLC and Stash Cash Management. Stash Insurance Services LLC is a licensed life insurance broker and property & casualty insurance broker. Stash Cash Management does not, and is not required to, obtain or maintain any federal or state registrations or licenses in order to engage in its activities. See "Participation or Interest in Client Accounts" below for a discussion of certain conflicts that may arise as a result of activities conducted by these subsidiaries.

Furthermore, from time to time, third-party vendors and/or business partners may provide Stash, its affiliates, and/or its employees with non-monetary gifts and gratuities, such as promotional items (e.g., coffee mugs, golf balls, or gift baskets), meals and access to certain industry-related conferences (collectively, "gifts"). Stash has implemented policies and procedures intended to identify, quantify and track certain gifts received by the firm and/or its employees.

#### Management Persons; Policies and Procedures

As discussed above, certain of Stash's management persons also hold positions with one or more of Stash's affiliated entities. In any such positions, they may have some responsibility with respect to the business of these affiliated entities. Consequently, in carrying out their roles at Stash and these other entities, the

management persons of Stash will be subject to potential conflicts of interest that exist between Stash and these affiliates.

Stash has established a variety of restrictions, policies, procedures, and disclosures designed to address potential and actual conflicts that arise between affiliates. No assurance can be made that any of Stash's current policies and procedures, or any policies and procedures that are established by Stash in the future will have their desired effect.

Additional information about these conflicts and the policies and procedures designed to address them is available in Item 9, Code of Ethics and Personal Trading, and Participation or Interest in Client Transactions.

## Code of Ethics and Personal Trading

Stash has adopted a Code of Ethics (the "Code") and certain other policies and procedures that obligate Stash and its "access persons" (e.g., any partner, officer, director, member, or employee of Stash) to put the interests of the Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. All of Stash's personnel are also required to comply with applicable federal securities laws. Stash will supply a complete copy of its Code to any Client or prospective Client who requests a copy of the Code by contacting customer support by email at [support@stashinvest.com](mailto:support@stashinvest.com) or by telephone at (800) 205-5164.

Stash and its related persons effect transactions for their own accounts in the same securities or other Instruments purchased and sold for Clients.

To ensure trading by Stash's access persons is conducted (i) in a manner that does not adversely affect Stash's trading on behalf of Clients and (ii) in a manner that is consistent with the fiduciary duties owed by Stash to the Clients, Stash has adopted the Code and attendant policies and procedures governing, among other things, transactions by Stash's access persons and other "covered persons" (e.g., any such access person's spouse, immediate family members). The Code and attendant policies and procedures contain provisions designed to, among other things (i) prevent improper personal trading by Stash's access persons and other covered persons; (ii) identify actual or potential conflicts of interest; and (iii) provide guidance in resolving certain actual or potential conflicts of which Stash is aware of in favor of Clients. To accomplish these objectives, Stash is required under the Code and attendant policies and procedures to, among other things (i) require pre-clearance of personal trades in "reportable securities" (as defined in the Code) by Stash's access persons and other covered persons and (ii) prohibit certain trading by the Stash's access persons and other covered persons in securities of issuers listed on Stash's "Restricted List" (as defined in the Code).

While not anticipated in the ordinary course of business operations, Stash and/or its affiliates may engage in principal transactions. In each such instance, Stash expects to seek to effect any such transaction in accordance with the requirements of Section 206(3) of the Advisers Act.

Stash has also adopted policies and procedures regarding the receipt of gifts and entertainment by the Stash's employees from certain third parties (e.g., vendors, broker-dealers, consultants, etc.). Specifically, these policies and procedures require employees to report the receipt of gifts and entertainment in excess of pre-established de minimis thresholds. Stash reviews these reports for any potential conflicts of interest with



respect to individual instances of gifts or entertainment, as well as patterns of the same over time, to seek to prevent employees from placing their own interests ahead of the interest of Clients.

The Code and the Stash's other policies and procedures also address the following key areas: (i) recordkeeping; (ii) oversight of the Code; (iii) conflicts of interest; (iv) the treatment of confidential information; (v) compliance with SEC rules and regulations; and (vi) reporting misconduct. Periodic training regarding the Code and Stash's other policies and procedures are provided to the Stash's access persons. Separately, the attendant policies and procedures related to, among other things, Pay-to-Play rules, gifts and entertainment and outside business activities are located in the Stash's compliance manual.

Stash Capital, Stash's affiliated broker-dealer, is permitted to trade in Investments for its own accounts and engage in personal securities transactions in securities and other Investments in which Clients may invest, in accordance with the Code. These activities create conflicts of interest between Stash Capital and Stash's Clients with regard to such matters as allocation of opportunities to participate in, or refrain from participation in, particular Investments or to dispose of certain Investments.

The Code contains provisions designed to prevent improper personal trading by Stash's access persons. Pursuant to the Code, all of Stash's access persons and covered persons must obtain pre-approval prior to trading an Investment, unless such person has a managed account with an independent adviser who has discretionary investment authority. Stash's access persons and covered persons are prohibited from trading securities on Stash's Restricted List and generally are prohibited from participating in "new issues." All accounts that have the ability to hold securities and all holdings in reportable securities need to be disclosed upon joining Stash and confirmed and/or updated periodically.

## Trade Handling

### Employee Accounts

Employees or related persons of Stash may open Stash Accounts in the Program, and as a result trade in the same securities with unaffiliated Clients. Stash's procedure is to treat any employee's Stash Account or related person's Stash Account in the same fashion as unaffiliated Clients' Stash Accounts.

### Client Accounts

As discussed above, Stash Capital, Stash's affiliated broker-dealer, introduces all Client trades from Stash to Apex, an unaffiliated qualified custodian, and Apex establishes and carries Stash Accounts that hold Client securities and cash and records Client trades. In each case, Client orders are placed with Stash Capital and orders are executed manually and/or through electronic trading systems maintained by Stash Capital. Such trades may be done on an aggregated basis when consistent with Stash and Stash Capital's obligation to seek best execution. In such circumstances, Stash Accounts receive securities at a total average price. Stash retains records of each trade order (specifying each participating account) and its allocation, which is completed prior to the entry of the aggregated order. Completed orders are allocated as specified in the initial trade order. Partially filled orders are allocated on a pro rata basis. Any exceptions will be explained on the order.

Generally, Clients direct and are responsible for the direction of Investments through the Platform by: (i) carefully reviewing the information about investing and the Investments available under the Program; (ii) carefully considering the Recommendations generated by the Platform; (iii) selecting Investments; and (iv) deciding whether to exclude an Investment from their selections. However, Stash shall have the authority:

- to determine and modify from time to time which Investments are available under the Program;
- to determine when, how often, and in what amounts to have uninvested cash in any Stash Account held through the Sweep Program;
- to determine and modify from time to time procedures used in trading and allocating fractional shares under the Program;
- to determine the timing of purchases of securities in relation to deposits;
- to determine the timing of sales of securities held in Stash Accounts and withdrawals in relation to requests for withdrawals; and
- to determine the exact time to trade securities based on buy and sell requests by Clients.

As part of its best execution responsibilities, Stash reviews and monitors, among other things, (a) data and/or reports regarding execution costs of transactions executed through Stash Capital. Stash seeks to ensure that Clients' transactions are conducted in the best interest of Clients, including by continuing to seek to obtain best execution for Clients through Stash's review and adoption of Stash Capital's best execution policies and procedures, and any material updates thereto with regard to trades placed by or through Stash Capital. Stash's trade allocation policy applicable to the Stash capital execution desk is designed to seek to: (i) provide a fair allocation of purchases and sales of Investments among Clients, (ii) not systematically advantage one Client over another, and (iii) ensure compliance with appropriate regulatory requirements. Traders on the Stash Capital execution desk are employees supervised by both Stash and Stash Capital.

From time to time, Apex receives compensation in the form of rebates, monetary compensation, or inter-company transfer of funds for routing customer orders, including orders for Clients, to a designated exchange, market maker, dealer, or market center for execution. Stash and Stash Capital, may receive payments from Apex in connection with such order flow, and, however, in all cases, Stash and Stash Capital seek the best execution possible for Clients' orders.

In order to permit sufficient time to ensure that the transfer of assets into a Stash Account has been successfully completed by the financial institution that maintains such Client's bank account, Stash may, in limited cases, wait up to five Business Days after the day Apex credits the applicable deposit to such Client's Stash Account to generate and place trade orders for such purchases. "Business Day" means a day when the New York Stock Exchange is open for trading and banking institutions located in the State of New York are open for business during all or part of the day. As a result, each deposit or transfer a Client makes may not be invested in such Client's selected Investment(s) for up to five Business Days, and such uninvested cash would not be subject to financial gains or losses resulting from movement in market prices during any such uninvested time period.

Stash reserves the right, at any time and without notice, to delay or manage the trading of Client orders if it determines such delay is appropriate and consistent with Stash's obligations under the terms of the Advisory Agreement.

## Participation or Interest in Client Accounts

Managing conflicts of interest is an integral part of Stash's compliance program. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Stash evaluates its business activities and the actual and possible conflicts that may emerge from its activities on an ongoing basis. To the extent that existing or new business activities raise an actual conflict of interest, or even the appearance of a conflict, we endeavor to provide the Client with full and clear disclosure or to take action to avoid them.

Stash acts as investment adviser under the Advisers Act in accordance with fiduciary standards. Stash Financial, its affiliates, and/or its business partners conduct business as broker-dealer, asset manager, banking services provider, insurance distributor, marketing affiliate, and financial services organization. Ergo, Stash's advisory affiliates provide a wide range of financial services to individuals. Stash and/or its affiliates may receive compensation in addition to the Stash Fee in connection with transactions and other services provided as part of the Program. The following are descriptions of certain conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests Stash may have in transactions effected by, with, and on behalf of, Stash Accounts or investment advice otherwise offered to Clients.

### Certain Effects of Stash's Activities on Advisory Accounts

Stash may cause Stash Accounts to invest in fractional shares of certain publicly-traded equity securities and/or exchange-traded funds in connection with rewards earned through the Stock-Back™ Rewards program, a rewards program that may be offered to Clients by Stash and/or its affiliates, as a result of qualifying purchases made with a debit card issued in connection with a demand deposit account provided by Green Dot Bank, Member FDIC, and, which may be made available to Clients pursuant to the terms and conditions of the [Green Dot Bank Deposit Account Agreement](#) ("Stash Debit Card"). Stash and/or its affiliates will share in revenue earned on such qualifying purchases made with respect to the Stash Debit Card. This revenue sharing arrangement creates a conflict of interest for Stash in performing its services pursuant to the Advisory Agreement. Neither Stash Accounts nor Clients are entitled to compensation as a result of such revenue sharing arrangement, and Stash will not be precluded by such conflict from exercising its judgment in the Client's best interest.

### Conflicts of Interest Associated with Market Insights Reports

The Market Insights Reports may supplement other investment advisory services made available to Clients. Stash also has and maintains, other than as part of Market Insights Reports, investment recommendations that are available both to subscribers of Market Insights Reports and to non-subscribers. Any decision as to the investment recommendations made available are solely those of Stash. We may issue Market Insights Reports on investments or investment strategies that are also utilized in one or more of the investment recommendations made available to non-subscriber clients.

### Certain Effects of the Activities of Entities Invested in Stash Financial's Capital Structure

Entities invested in Stash Financial's capital structure such as private funds as well as public companies, including their related persons and affiliates (such entities, "[Shareholders](#)"), engage in a variety of activities in

the global financial markets. The extent of Shareholders' activities in the global financial markets may have potential adverse effects on Stash Accounts. Shareholders, the clients they advise, and their personnel may have interests in and advise accounts that have investment objectives or portfolios similar to, related to or opposed to those of Stash Accounts. In addition, Shareholders, the clients they advise, and their personnel may compete for commercial arrangements or transactions in the same types of securities and other instruments as Stash Accounts. Transactions by, advice to and activities of Shareholders and/or their clients (including with respect to investment decisions, voting and the enforcement of rights) may involve the same or related securities or other instruments as those in which Stash Accounts invest, and Shareholders and/or their clients may engage in a strategy while a Stash Account is undertaking the same or a differing strategy, any of which could directly or indirectly disadvantage Clients (including their ability to engage in a transaction or other activities) or the prices or terms at which the Client's transactions or other activities may be effected. For example, a Stash Account may hold a security and a Shareholder and/or its client may establish a short position in that same security or in similar securities. Any such short position will result in the impairment of the price of the security that the Stash Account holds or could be designed to profit from a decline in the price of the security. To the extent a Client engages in transactions in the same or similar types of securities as Shareholders and/or their clients, such Clients may compete for such transactions, and transactions by such Shareholders and/or their clients may negatively affect the investments held in a Stash Account (including the ability of the Client to engage in such a transaction or other activities), or the price or terms at which the Client's transactions or other activities may be effected. Moreover, a particular Client on the one hand, and a Shareholder and/or a Shareholder client on the other hand, may take or refrain from taking different actions with respect to, the same security, which can be disadvantageous to the Client. Furthermore, certain Shareholders have issued, and may in the future issue, securities recommended by Stash. Shareholders do not and will not have any input into Stash's investment decisions, including what investments are or will be recommended by the firm. Stash mitigates any actual or potential conflicts of interest by maintaining separate organizational reporting lines and personnel.

#### Receipt of Compensation from Apex

Stash Capital, Stash's affiliated broker-dealer, shares in certain fees paid by the Client to Apex or otherwise (including, without limitation, additional fees for the preparation and delivery of paper documents, account transfers and other services) and shares in certain revenue paid to Apex through money market or bank sweep programs and/or fully paid for securities lending programs, which create a conflict of interest for Stash in performing its services pursuant to the Advisory Agreement.

#### *Sweep Program*

As described above and in the Advisory Agreement, Clients are automatically enrolled in the Sweep Program, which is managed by Apex. Stash Capital, Stash's affiliated broker-dealer, will receive additional economic benefits from cash investments held in the Client's Stash Account in addition to the Stash Fee. Stash Capital may provide various administrative services with respect to the assets participating in the Sweep Program and is compensated for these services. The compensation Stash Capital receives for these services is paid based on Client assets invested in the Sweep Program (at an annualized rate of up to half of the effective federal funds rate as calculated by the Federal Reserve Bank of New York less 0.10%). This conflict may be greater when higher cash balances are maintained in the Client's Stash Account. At times, however, we may believe that it is in the Client's best interest to maintain assets in cash, particularly for defensive purposes in volatile

markets. We will not be precluded by any of these conflicts from exercising our judgment in the Client's best interest.

The Stash Fee will be applied to cash and cash alternatives held within the Client's Stash Account, including any assets in the Sweep Program. The Stash Fee is in addition to other compensation that Stash and its affiliates will earn in connection with these assets. Although the Client's cash will be swept in accordance with the Sweep Program described in the [Sweep Program Terms and Conditions](#), the Client may experience negative performance on the cash portion of the Client's Stash Account if the Stash Fee charged on the Client's cash is higher than the return the Client receives from the Sweep Program.

When cash balances are deposited into a bank deposit account of one or more banks participating in the Sweep Program:

- Cash will be placed in an account bearing a reasonable rate of interest and the participating depository institution will benefit from its use of the deposits, and Stash or its affiliates will receive compensation from the participating depository institution. This compensation will be in addition to, and will not reduce, the Client's Stash Fee, except as required by law.
- The applicable [Sweep Program Terms and Conditions](#) are described in the disclosures that the Client receives in connection with the underlying Advisory Agreement, and are also available on the Stash website at <https://www.stashinvest.com/disclosurelibrary>.

### *Securities Lending Program*

Stash Capital, Stash's affiliated broker-dealer, will share in revenue earned on premiums paid on borrowed Investments in connection with the optional Securities Lending Program. The compensation paid to Clients, which is credited daily, is calculated as 15% of the net proceeds earned and received by Apex for relending each Client's securities. Stash Capital may provide various administrative services with respect to the Securities Lending Program and is compensated for these services. The compensation Stash Capital receives for these services is calculated as 35% of the net proceeds earned and received by Apex for relending each Client's securities. The remaining 50% of the net proceeds earned and received by Apex for relending Investments will be kept by Apex as its compensation.

### *Potential Ancillary Fees and Expenses Not Covered By the Stash Fee*

Below is a list of ancillary fees Clients may incur that are not included in the Stash Fee. These fees would be incurred based on a Client's request, beyond our control and accordingly excluded from the fees and services covered by the Stash Fee. Should a Client incur any of these fees, such Client will be responsible for their payment in accordance with the terms and conditions of the Advisory Agreement and such Client's other account opening agreements. This list of fees is the current list of ancillary fees, but we reserve the right to change these fees in the future. Stash Capital, an affiliate of Stash, may share (with Apex) in a portion of the fees listed below that are paid by the Client, which may create a conflict of interest for Stash in performing its services pursuant to the Advisory Agreement.

### *Bank Transfers:*

- Bank Transfer (ACH) Incoming – \$0

- Bank Transfer (ACH) Outgoing- \$0
- Returned ACH (insufficient funds) – \$0.50 each
- ACH Notice of Correction (NOC) Fee – \$5 per notice
- Paper Checks - \$4 per check
- Stash Account Funding via Third-Party Debit Card - \$1 per transaction
- Non-ACH Withdrawal - \$2 per withdrawal for withdrawals of aggregate proceeds of \$200 and below; 1% of withdrawal for aggregate proceeds exceeding \$200

Account-Based:

- Electronic Statement & Electronic Trade Confirms – \$0
- Paper Confirms – \$2 per confirm
- Paper Account and Tax Statements – \$5 per statement
- Paper Prospectuses - \$3 per prospectus
- Escheatment Processing - \$10 per account

ACAT (Automated Customer Account Transfer):

- ACAT Outgoing – \$75 per account
- ACAT Incoming – \$0

Conflicts of Interest Associated with Unaffiliated Advisers

Investment advisers unaffiliated with Stash, including investment managers of ETFs available in the Program, (“Unaffiliated Advisers”) have interests and relationships that may create conflicts of interest related to their management of the ETFs to which Stash Account assets are allocated. For information about conflicts of interest that may arise in connection with the activities of Unaffiliated Advisers of the ETFs available in the Program, please refer to the prospectuses, offering memoranda and constituent documents of such ETFs and to the Forms ADV of such Unaffiliated Advisers.

Securities Trading by Stash and its Affiliates

Stash and/or its affiliates, including Stash Capital, Stash’s affiliated broker-dealer, may have a position in or enter into “proprietary” transactions in securities purchased or sold for Stash Accounts. Stash and/or its affiliates may benefit from such securities positions or transactions.

We address these conflicts in a variety of ways, including (i) through disclosure in this Brochure; (ii) we are required to recommend investment products and securities that are suitable for each Client based upon investment objectives, risk tolerance, financial situation and needs; and (iii) we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest—both those arising between and among a Stash Account as well as between Stash Accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require certain personnel to obtain pre-approval for certain securities transactions, disclose their investment accounts, provide an annual holdings report, and provide a quarterly transaction report.

We may suggest or recommend that Clients use the execution or other services of our affiliated broker-dealer, Stash Capital. Where we service the Client's Stash Account utilizing our affiliate's services, Stash and its affiliates will receive compensation. We address this conflict in a variety of ways, including disclosure of various conflicts in this Brochure and in the Advisory Agreement. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest—both those arising between and among Stash Accounts as well as between Stash Accounts and our business.

## Review of Accounts

### Account Reviews

An important part of the Program relationship involves providing the Client with the opportunity to engage in periodic online reviews. These reviews provide updates on the progress of the Client's Stash Account, performance of the Client's Stash Account's portfolio and other important information about the Client's Investments. This review is also an opportunity to ensure that the information the Client provides is complete, accurate and reflects the Client's financial situation and objectives for the Stash Accounts enrolled in the Program. If the Client is the custodian of this account for the benefit of another person, please keep in mind that these assets will be invested for the benefit of the other person. The information the Client provides should reflect the views and circumstances of the beneficiary of the Stash Account.

Stash provides all Clients with continuous access via the Platform to real time reporting information about their account status, securities positions and balances. Limited reviews of Stash Accounts are conducted through the Platform on a periodic basis, including providing automated alerts. Clients are encouraged to update the Suitability Questionnaire should there be a change in their particular circumstances.

We will also contact the Client periodically primarily through electronic means to request that the Client reviews the Client's information for each of the Stash Accounts in the Program and ensure that it is up to date. The Client will be required to perform the Client's review through the Platform. Because these reviews provide the Client with important and necessary information relating to the Client's Stash Account, the Client is required to take advantage of these opportunities to participate in Stash Account reviews. If the Client does not participate in the Client's Stash Account review, we may, in our discretion, terminate the Client's Stash Account.

However, Stash's supervision and monitoring do not substitute for each Client's own continued review of the Investments held in and the performance of each such Client's Stash Account. Each Client is responsible for logging in to the Client's Stash Account regularly to review performance and access trade confirmations, periodic account statements, and other information Stash makes available to Clients. If the Client identifies any discrepancies, the Client should promptly report them to Stash by calling (800) 205-5164.

### Client Reports

Clients can access their quarterly and, if applicable, monthly brokerage account statements provided by Apex detailing their account information via the Platform.

## Client Referrals and Other Compensation

We have entered or may enter into marketing arrangements with third parties or Shareholders who, for compensation, will provide consulting or other services to us in connection with marketing our various advisory programs, or otherwise refer prospective Clients to us. Each such marketing arrangement is or will be governed by a written agreement between us and the third party or Shareholder, and will be disclosed to the Client, as required by law. Stash, however, does not receive any compensation for referring Clients to another advisor nor does Stash pay any compensation to another advisor if another advisor refers Clients to Stash.

Stash or one or more of its related persons may also receive compensation from retailers in connection with certain promotions, in which Stash or one or more of its related persons refers Clients to the retailers for the purchase of non-investment consumer products or services. Stash or one or more of its related persons may also transfer a portion of the compensation received in connection with such promotions into the applicable Client's Stash Account, at no cost to the Client, to fund the purchase of additional Investments.

### Client Referrals

Stash offers Clients and/or prospective Clients certain promotions or rewards in connection with opening and/or maintaining products and/or services offered by or through affiliated and unaffiliated entities. Such promotions or rewards may include, by way of example, the payment of a cash reward. The promotions may require a Client to request to receive or participate in the promotion or reward, and/or require a Client to meet various eligibility criteria. These promotions or rewards may extend to a Client's Stash Account that holds assets in the Program, and, in certain instances, participation in the Program may be a condition for these promotions or rewards.

Stash also expects from time to time to run various promotional campaigns to attract Clients to open accounts on the Platform. These promotions may include additional account services or products offered on a limited basis to select Clients, more favorable fee arrangements, and/or reduced or waived advisory fees for Clients.

In addition, Stash makes cash payments to Clients for referring prospective Clients to Stash, consistent with applicable laws, including Rule 206(4)-3 under the Advisers Act. The compensation arrangements generally are based on a fixed payment paid to the referring Client by Stash and are disclosed to prospective Clients. Stash, however, does not compensate employees of Stash or its affiliates for Client referrals.

Stash operates the "Stash It Forward" program. Under Stash It Forward, current Clients may share a link with one or more friends. This link will allow the receiver to claim a fixed dollar amount for opening a Stash Account. New Clients must meet certain eligibility criteria and adhere to the terms and conditions of Stash's Advisory Agreement. The monetary gift for opening an account must remain in the account for 90 days beginning from the date the Client funds the Client's Stash Account before the Client can transfer the funds out of the Stash Account. Participation in Stash It Forward is not available to non-US residents or individuals who regularly provide investment advisory services to Clients in any U.S. state. Stash reserves the right to modify, extend or cancel Stash It Forward at any time without notice, in Stash's sole discretion.



Stash also pays pre-determined fees to third-parties for driving new users to Stash, which may be in the form of so-called CPM, CPC or CPA arrangements (respectively, impressions, clicks or actions through other websites).

## Financial Information

Stash does not solicit fees of more than \$1,200.00, per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure. Stash has no financial commitment that would impair its ability to meet any contractual and fiduciary commitments to the Client. Stash has not been the subject of any bankruptcy proceedings.