
**Item 1:
Cover Page**



Wrap Fee Program Brochure

of

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March 30, 2021

This wrap fee program brochure provides information about the qualifications and business practices of NextCapital Advisers, Inc. If you have any questions about the contents of this brochure, please contact us at: compliance@nextcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about NextCapital Advisers, Inc. is also available on the Securities and Exchange Commission's website at: www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

The NextCapital Advisers Personal Portfolio Service ("Personal Portfolio Service") described in this wrap fee program brochure (this "Brochure") includes material changes to the following sections:

- **Item 4: Advisory Business - Non-Discretionary Advisory Services** - The Brochure removes information regarding NextCapital Advisers, Inc.'s Non-Discretionary Advisory Service. The Non-Discretionary Advisory Service was decommissioned as of March 1, 2021 and is a service no longer offered by NextCapital Advisers, Inc.
- **Item 4: Advisory Business - Assets Under Management** - As of January 1, 2021, NextCapital Advisers, Inc. managed \$3,965,402,163 of client assets on a discretionary basis, with \$2,242,136 attributable to the Personal Portfolio Service.
- **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss** - Additional disclosure has been added with respect to "Advice Range" and "Anchor Model" concepts.
- **Item 14: Client Referrals and Other Compensation** - In addition to base salary and incentive stock options (ISOs), NextCapital Advisers, Inc. personnel are eligible for bonus compensation. However, neither ISO grants nor bonus compensation are directly tied to the performance or amount of client assets managed. NextCapital Advisers, Inc. mitigates this potential conflict through firm compliance training with respect to fiduciary obligations, and through other mechanisms such as firm governance.
- **Item 17: Voting Client Securities** - Proxy voting language has been updated.
- **Firm Brochure Supplement** - Mike Sebastian has joined NextCapital Advisers, Inc. as Chief Investment Officer and Chair of the firm's Investment Committee (succeeding Dirk Quayle).

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Item 4:
Advisory Business

NextCapital Advisers, Inc. ("NextCapital Advisers") formed as a Delaware corporation and registered with the Securities and Exchange Commission ("SEC") as an investment adviser in March 2015. NextCapital Advisers is a wholly owned subsidiary of NextCapital Group, Inc. ("NextCapital Group"), which is owned by the firm's four founders – John Patterson, Jon Hagen, Dirk Quayle and Robert Foregger – as well as several outside investors, including unaffiliated financial services firms. NextCapital Advisers provides advisory services to the clients and customers of financial services firms, including unaffiliated financial services firms that hold equity interests in NextCapital Group, either directly or through an affiliate.

NextCapital Group, through its subsidiaries, is an experienced provider of automated portfolio management and financial planning software. NextCapital Group's founding team was responsible for building out one of the first automated 401(k) portfolio management platforms, one of the first digital wealth advisors, and one of the first online banks. NextCapital Group's wholly owned subsidiary, NextCapital Software, Inc. ("NextCapital Software"), has developed automated goal and risk-based financial planning and portfolio management software (the "Software Platform"). NextCapital Software licenses, for a fee, the Software Platform to its affiliate, NextCapital Advisers, as well as to other financial institutions.

The mission of NextCapital Group is to help everyone retire successfully. NextCapital Advisers supports this mission by delivering personal, objective portfolio and planning services to investors through two main service offerings:

- **Managed Account Services**, which are discretionary advice services offered through the Software Platform. Managed Account Services include one or more of the following: (i) asset allocation and/or glide path determinations; (ii) model portfolio creation, whereby NextCapital Advisers generates model portfolios and maintains appropriate model portfolio strategies consistent with an individual's user profile; and/or (iii) advice and wealth forecasting, including, as applicable, projected spending/draw-down available at retirement. The Managed Account Services are offered through two separate channels: (i) **Retail** (pursuant to the Investment Advisers Act of 1940 (the "Advisers Act") and (ii) **Workplace** (pursuant Section 3(21) and Section 3(38) the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended). Please refer to NextCapital Advisers, Inc.'s Managed Account Services - Retail and Workplace firm brochure for more details about the firm's managed advice offerings.

- **NextCapital Advisers Personal Portfolio Service**, which is an investment management services wrap program provided to NextCapital Advisers clients (hereinafter, "Clients"). Please refer to NextCapital Advisers' Wrap Fee Program Brochure for more information.

This Brochure will focus on NextCapital Advisers' Personal Portfolio Service.

Personal Portfolio Service

Note: The Personal Portfolio Service is not open to the public and is only made available at this time to NextCapital Advisers and NextCapital Software personnel.

NextCapital Advisers' Personal Portfolio Service provides automated, ongoing discretionary investment management, automatic portfolio re-balancing, and/or securities transaction services. For these services, each Client authorizes NextCapital Advisers to submit trades to broker-dealers on the Client's behalf using recommendations generated through NextCapital Advisers' proprietary methodology.

In addition to NextCapital Advisers' main service offerings, including the Personal Portfolio Service, the firm also provides advice methodology licensing and portfolio operations services.

Advice Methodology Licensing

NextCapital Advisers licenses its advice methodology, including personalization, glidepath and asset allocation determinations through the Software Platform to commercial partners. Unless otherwise expressly stated and acknowledged, NextCapital Advisers does not serve in a fiduciary capacity to Retail and/or Workplace clients when it licenses its advice methodology.

Portfolio Operations Services

NextCapital Advisers provides portfolio operations services to certain commercial partners. The scope, nature and level of the portfolio operations services will vary by relationship, at the election of the commercial partners. Such services generally include one or more of the following: (i) conducting portfolio evaluation services, including, but not limited to, model portfolio maintenance, asset allocation and portfolio re-balancing, tax-efficient implementation, portfolio and transition analysis, and tax-impact modeling; (ii) trading operations services, including, but not limited to, reconciliation of trade orders and activity in client brokerage accounts with client custodial accounts, validation of pricing, and facilitation of communications with broker-dealers regarding trade orders and settlement; (iii) advisory fee calculation, billing, and reconciliation services; and (iv) proxy voting, corporate actions processing, and class action lawsuit administration.

As of January 1, 2021, NextCapital Advisers advised \$3,965,402,163 of Client assets on a discretionary basis, with \$2,242,136 attributable to the Personal Portfolio Service.

**Item 5:
Fees and Compensation**

NextCapital Personal Portfolio Service charges an all-inclusive wrap fee ("Wrap Fee"), payable in arrears, at a rate of **25 basis points (0.25%)** ("Fee Rate") annually based on each Client's assets under management with NextCapital Advisers. There are four (4) billing periods (each, a "Fee Period") throughout the year, coinciding with the calendar quarters. NextCapital Advisers calculates a daily Wrap Fee, which is equal to the Fee Rate multiplied by the aggregate market value of each Client account over which NextCapital Advisers has been granted discretionary authority as of the close of trading on the New York Stock Exchange ("NYSE") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The Wrap Fee for each Fee Period is equal to the sum of the daily Wrap Fees calculated during the applicable Fee Period. Upon enrollment in the NextCapital Personal Portfolio Service, the Client provides NextCapital Advisers written authorization to have the Wrap Fees directly deducted from the Client's accounts by a full-service registered broker-dealer (the "Broker"). The Wrap Fees will be withdrawn on or around the tenth (10th) business day following the last business day of the applicable Fee Period. Wrap Fees will begin to be calculated on the first trade date of a Client's account and will cease on the day on which such Client's advisory agreement is terminated.

The Wrap Fee includes charges for advisory services, custody of assets, execution and clearing of transactions, and accounting reporting. Clients should consider that, depending on the amount of activity in a Client's account and the value of such advisory, custodial, trade processing, clearing and other services provided under the Wrap Fee arrangement, the Wrap Fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

In addition to the Wrap Fee, a Client account may incur "transfer out" fees (charged by other broker-dealers when such Clients transfer their accounts to a Broker). NextCapital Advisers is involved with the establishment of a Broker's fee structure, but receives no remuneration from any Broker or from broker-dealers who may charge Clients such "exit" fees.

Negotiability of Fees

Except as otherwise noted below, Wrap Fees are generally non-negotiable. In the event of a change to the Personal Portfolio Service pricing model, NextCapital Advisers may, in its sole discretion, offer existing NextCapital Advisers Clients the opportunity to retain the pricing rates that apply to such

Client at the time of the change, rather than migrate the Client to the new rate.

Account Termination

If a Client wishes to terminate an existing relationship with NextCapital Advisers, they can do so at any time by emailing portfolio-ops@nextcapital.com. Client termination will take effect promptly upon NextCapital Advisers' receipt of such notification, and final Wrap Fees owed to NextCapital Advisers will be calculated and deducted from the Client account at such time.

NextCapital Advisers may terminate a Client's access to any of NextCapital Advisers' services under appropriate circumstances, including, but not limited to, when: (i) NextCapital Advisers believes there is a breach or violation of the applicable account documentation (e.g., investment advisory agreement) or other documentation governing NextCapital Advisers' relationship with the Client; or (ii) if a Client's requested account restrictions cannot be reasonably accommodated.

Other Account Fees

NextCapital Advisers does not receive any direct or indirect (e.g. soft-dollar) compensation derived from Client commissions. *See Item 12: Brokerage Practices* for additional information on Soft Dollar Benefits. NextCapital Advisers provides objective, unbiased investment recommendations. Neither NextCapital Group nor any of its subsidiaries have any fee arrangement with any fund adviser or other person related to any of the investment recommendations provided by NextCapital Advisers.

In addition to the Wrap Fee, Clients may also pay fees or expenses to third parties. Some securities or other investment products, such as mutual funds or ETFs, money market securities, and cash/cash equivalents such as FDIC-insured Deposit Programs may charge product fees that Clients indirectly pay. NextCapital Advisers does not charge these fees to Clients and NextCapital Advisers does not benefit, directly or indirectly, from any such fees. Mutual funds and ETFs typically include embedded expenses that may reduce the mutual fund's or ETF's net asset value, and therefore directly affect the mutual fund's or ETF's performance and, in turn, affect a Client's portfolio performance or an index benchmark comparison. Expenses of a mutual fund or ETF may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. Mutual fund and ETF expenses may change from time to time at the sole discretion of the mutual fund administrator or ETF issuer, as applicable. Where NextCapital Advisers is selecting securities for inclusion in Client accounts under the Personal Portfolio Service, NextCapital Advisers periodically evaluates applicable investments and embedded fees on behalf of Clients' managed accounts and will provide each mutual fund's and ETF's current information, including expenses, upon request. Interest-bearing cash/cash equivalent investment products such as FDIC-insured Deposit Programs may not have a stated expense ratio. Instead, each program bank pays insured deposit provider

fees for its services and these vary over time with market conditions. Interest earned fluctuates, and the income stream received is the realized net yield.

Client accounts participating in the Personal Portfolio Service must be held at a Broker that allows NextCapital Advisers to submit trades on behalf of Client accounts. For Clients whose accounts are not held at a Broker prior to enrollment in the Personal Portfolio Service, NextCapital Advisers will assist Clients in transferring assets into new accounts held at a Broker. The Broker will be a "Qualified Custodian," as defined by SEC Rule 206(4)-2, to meet the custodial and brokerage needs of Clients. Certain Client accounts may be eligible for "trading away" (limited to accounts larger than \$100,000), which is where NextCapital Advisers executes trades with a broker-dealer other than the Broker. However, if NextCapital Advisers trades away, the Client account may incur trading costs in addition to the fees charged to the account as part of the Wrap Fee. The broker-dealer executing the transaction may charge additional fees such as, commissions, markups, markdowns or "spreads" paid to market makers. Additionally, if a foreign currency transaction is required, a foreign broker-dealer firm may receive compensation in the form of a dealer spread, markup or markdown. There may be other exchange or similar fees, including, but not limited to, foreign ordinary conversion and creation or redemption of ETFs charged by third parties, as well as foreign tax charges. As a result, if NextCapital Advisers were to trade away from the Broker, the strategy could be more costly to a Client account than if NextCapital Advisers placed the trade orders with the Broker for execution. *See Item 12: Brokerage Practices* for additional information.

It is important that Clients carefully review statements regularly provided by the Broker to ensure that the transactions, amount of Wrap Fees and any other fees charged to the Client account are accurate and reflect the services provided as part of NextCapital Advisers Personal Portfolio Service.

**Item 6:
Performance-Based Fees and Side-by-Side Management**

NextCapital Advisers does not charge performance-based fees.

**Item 7:
Types of Clients**

Through its Personal Portfolio Service, NextCapital Advisers provides investment advice and portfolio operations services to individuals who are seeking independent, objective and actionable investment advice and management to help such individuals make investment decisions and achieve their financial objectives and goals.

Personal Portfolio Service Clients must be willing to conduct the Client relationship with NextCapital Advisers on an electronic basis. In such case, under the terms of the client agreement, the Client will agree to receive all account information and account documents (including this Brochure, and any updates or changes to the same), through electronic communications.

NextCapital Advisers Client accounts are subject to a minimum initial account size of \$5,000.00, unless such minimum is waived by NextCapital Advisers in its sole discretion.

Note: NextCapital Advisers is not currently accepting additional Clients as part of the Personal Portfolio Service. Should NextCapital Advisers choose to accept new Personal Portfolio Service Clients, those Client's shall have their advice delivered and managed through the Software Platform. While current Personal Portfolio Service advice is delivered outside of the Software Platform, ongoing management of Personal Portfolio Service advice does takes place through the Software Platform.

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

This section summarizes NextCapital Advisers' method of analysis, investment strategies and certain risks related to the Personal Portfolio Service.

Methods of Analysis and NextCapital Advisers' Investment Strategies

Overview: NextCapital Advisers seeks to provide each Client with a personalized, objective investment plan that considers the Client's preferences, goals, capacity and constraints. NextCapital Advisers provides the Personal Portfolio Service to Clients through its Retirement Goal-based Advice methodology framework.

Retirement Goal-based Advice

NextCapital *RetirementIndex* and *RiskIndex*: The foundation of NextCapital Advisers' investment advice methodology is the NextCapital RetirementIndex ("*RetirementIndex*"). NextCapital Advisers, using the RetirementIndex glide path as the baseline asset allocation over years to and through retirement, provides a dynamic framework for personalized portfolio strategies for goal-based financial retirement planning.

The *RetirementIndex* is a set of proprietary portfolios that tracks the derived consensus global asset allocation of Target Date Fund ("TDF") managers for various retirement dates. TDF asset allocations are driven by standard retirement years (2020, 2025, 2030, 2035, etc.). The *RetirementIndex* for each

TDF standard retirement year is based on a consensus (i.e., the average asset allocation for the managers, collectively) for each asset class. NextCapital Advisers, through proprietary methodology, determines the asset class allocations in one-year increments by creating a glide path. A glide path is the gradual shift in portfolio allocation from equities to fixed income based on an investor's current age through the investor's 's expected retirement year.

The NextCapital RiskIndex ("*RiskIndex*") is a series of asset class allocations derived from the *RetirementIndex* glide path. The *RiskIndex* represents a transformation of the *RetirementIndex* glide path into a series of asset class model portfolios representing a broad spectrum of potential target risk exposures for investment purposes. These asset class model portfolios serve as the investment base for NextCapital Advisers' Personal Portfolio Service.

NextCapital Advisers' Retirement Goal Investment Advice Methodology

NextCapital Advisers utilizes a Client's personal and financial information (and, if applicable, their spouse or partner's) in order to build a customized retirement plan. The plan consists of a personalized asset allocation strategy with a current portfolio assignment, recommendations on contribution rates and retirement age. The plan is designed to help the Client achieve a retirement income goal in at least 70% of the future projected economic scenarios. It is not always possible to achieve the goal, but the plan will seek to get the Client as close as possible.

The plan outputs (i.e., the personalized asset allocation strategy and recommendations on contribution rates and retirement age) are based on relevant Client information, such as financial capital (i.e., any linked financial assets), human capital (i.e., a Client's future earnings and savings potential), gender and marital status, health, and guaranteed income (e.g., Social Security). The Client's retirement income goal, personalized asset allocation strategy, and recommended contribution rate and retirement age are all interrelated. Thus, changing one factor may impact the others. It is also important to note that in certain circumstances, NextCapital Advisers will not have data related to one or more factors. Therefore, NextCapital's Personal Portfolio Service will only be based on those factors it has for each Client.

The *RetirementIndex* provides the baseline asset allocation for prudent, time-horizon-based investment management. NextCapital Advisers then adjusts the asset allocation based on additional Client information (the "Asset Allocation Model"). Specifically, NextCapital Advisers seeks to personalize the asset allocation strategy for each Client based on four primary factors: (i) human capital; (ii) a goal achievement metric (i.e., a Client's ability to achieve a retirement spending goal with current balance, other outside savings, estimated guaranteed incomes and future contributions); (iii) sequence risk (e.g., the impact of a potential short-term extreme market event on the investment portfolio); and (iv) investment horizon impacted by retirement age and longevity (i.e., a Client's estimated life expectancy). NextCapital Advisers may also utilize additional information, as

provided by Clients, related to the Client's risk preference (i.e., a Client's ability to withstand future market volatility and other market events). However, this additional information is not required.

The aforementioned prudent, time-horizon-based asset Asset Allocation Model can range from +/-3% ("Advice Range") relative to an asset allocation (the "Anchor Model") derived from NCA's advice algorithm which, in turn, is output through the Software Platform. For example, if the Advice Range is 77%-83% equity asset allocation, then the Anchor Model is 80% equity asset allocation. Prudent implementations would include implementations of 77 or 78 or 79 or 80 or 81 or 82 or 83% equity. As used here, "implementation" means the mapping of a Client's designated Asset Allocation Model to a model portfolio composed of designated ETFs or other investment vehicles (hereinafter, a "Security Model Portfolio"). It should be noted, however, that the Advice Range represents a guide for managing the portfolio, but there are situations wherein a Client's Security Model Portfolio may be outside of this range, including, but not limited to, periods of extraordinary stock or bond market volatility or disruptions. *See Item 13: Review of Accounts* for additional information on reviewing and adjusting Client investment advice and reviewing and re-balancing Client asset allocations and related instructions.

Client profile information may be collected in several ways. Some information may be provided via a Record-Kept Data, while other information may need to be provided directly by the Client. Clients may complete a proprietary investor planning process produced by NextCapital Advisers before or during the initial account opening process, provide a high-level estimate of their financial situation, and/or link to independently held investment accounts with third-parties (hereinafter, "Held-Away" accounts) that are aggregated to an Institution or Program Sponsor-branded version of the Software Platform (this option provides NextCapital Advisers with more detailed security and tax status information - e.g., 401(k), IRA, Roth, etc. - about a Client's financial plan). With respect to Personal Portfolio Service accounts, It is important to note that NextCapital Advisers will utilize proxy funds for each asset class it attributes to non-linked Held-Away account assets. For example, NextCapital Advisers will utilize proxy ETFs for cash, fixed income and equity asset classes it respectively attributes to each non-linked Held-Away account asset. For example, if a Client were to designate a Held-Away account value as "Equity", NextCapital Advisers will utilize the proxy ETF for Equity to further inform its advice. Please contact NextCapital Advisers for a complete list of proxy ETFs. The investment methodology also utilizes default assumptions specified by NextCapital Advisers in the event that certain information is not provided by a Client in a questionnaire, or otherwise (e.g., if a Client does not enter the age at which they intend to retire, the investment methodology will use the default retirement target age).

In addition to the plan outputs outlined above, NextCapital Advisers will provide each Client with wealth and income forecasts.

The Retirement Goal Investment Advice Methodology and, by extension, the Personal Portfolio

Service rely on accurate information provided by each Client. As a Client's status changes over time, it is important that the Client update the information they provide to ensure their advice remains current and appropriately personalized. NextCapital Advisers' Retirement Goal Investment Advice Methodology is not intended to be short-term advice, and may not be suitable for all investors.

Asset Class Mandates and Investment Vehicles

NextCapital Advisers seeks to use optimal asset classes in which to invest. This includes, for example, tax-efficient and inexpensive ETFs to fulfill asset class mandates. Asset classes represented by investment vehicles in a Client portfolio may include: Interest-yielding Cash, Ultrashort, Short-term, US Treasury Bonds, US Treasury Inflation Protected Securities ("TIPS"), US Agency Bonds, US Mortgage Backed Bonds, US Municipal Bonds, US Corporate Bonds, US High Yield Bonds, Developed Markets Bonds, Emerging Markets Bonds, US Large Cap, including US Large Cap Value, US Large Cap Growth, US Mid Cap, including US Mid Cap Value and US Mid Cap Growth, US Small Cap, including US Small Cap Value, US Small Cap Growth, Developed Markets Equity, Global ex-US Small Cap, Emerging Markets Equity, US REIT, Global ex-US REIT, and Commodities.

NextCapital Advisers also periodically reviews available investment vehicles options, including, for example, ETFs, to identify the most appropriate investment vehicles to fulfill each asset class mandate. NextCapital Advisers looks for investment vehicles that minimize cost and tracking error (as many ETFs and mutual funds do not exactly track the indices they were created to mimic) and offer market liquidity for best execution. NextCapital Advisers strives to choose investment vehicles that are expected to have sufficient liquidity to allow Client withdrawals at any time. For taxable accounts, NextCapital Advisers also selects investment vehicles that are consistent with the goal of reducing Client tax consequences. It should be noted, however, that NextCapital Advisers does not provide tax advice.

Other investments not considered for inclusion within NextCapital Advisers' Personal Portfolio Service can have characteristics similar to or separate from those recommended by NextCapital Advisers, and these other investments can outperform those recommended by NextCapital Advisers.

Risks Associated with NextCapital Advisers' Personal Portfolio Service

Risk of Loss. The identification of investment opportunities is difficult and involves a significant degree of uncertainty. Investing in securities involves a risk of loss. NextCapital Advisers does not guarantee the future performance of any Client's account, or the success of any investment advice or strategy that NextCapital Advisers may make for a Client's portfolio.

Risks Associated with Using an Algorithm. The algorithms used by NextCapital Advisers are based on NextCapital Advisers' capital market assumptions and analysis. The investment objectives of the algorithms are not intended to replicate a perfect "model" portfolio, but are, instead, intended to reflect NextCapital Advisers' investment philosophy. When these algorithms are used to implement and re-balance Client portfolios, they do not consider prevailing market conditions when trading within Client portfolios. These models and systems also entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that NextCapital Advisers will be successful in carrying out such calculations correctly, or that the use of these quantitative models and systems will not expose Clients to the risk of significant losses. More specifically, NextCapital Advisers' ability to implement key investment objectives is dependent on a number of considerations, including, but not limited to, the economic, analytical and mathematical components of each model, the accurate encapsulation of those components in a complex computational environment (including the Software Platform), the data quality incorporated into the models, changes in market conditions, the successful expression of the models' views into any applicable investment portfolio construction (i.e., Asset Allocation and Security Model Portfolios), and the ability of NextCapital Advisers authorized personnel to interpret and implement model outputs. Several of the aforementioned considerations (and others) present the possibility of human error. While NextCapital Advisers has established certain systematic rules and processes for monitoring Client portfolios to ensure they are managed in accordance with their investment objectives, there is no guarantee that these rules or processes will effectively manage the risks associated with algorithms in all market conditions. Consequently, while NextCapital Advisers employs controls to help ensure that models are sound in their development and appropriately adapted, calibrated and implemented into the Software Platform, the risks and certain errors associated with algorithms can and will persist. Furthermore, errors may be very difficult to detect in some instances, with some errors potentially going undetected for long periods of time, or not detected at all. NextCapital Advisers' controls and processes are designed to help ensure that certain types of errors are subject to review once discovered, however, the effect of errors on the investment process and, as applicable, Client account performance (positive or negative) may not be fully apparent when discovered.

The SEC has provided further information for investors to consider when utilizing digital advice services. The SEC guidance can be accessed using the following web address:

https://www.sec.gov/oiea/investor-alerts-bulletins/ib_robo-advisers.html

Risks Related to Accuracy of Information. NextCapital Advisers bases its investment advice on information provided by Clients. As such, if a Client were to provide NextCapital Advisers with inaccurate or false information, or fail to provide material information, the quality and applicability of the investment strategies, recommendations made to, and, if applicable, management of accounts of such Clients by NextCapital Advisers may be materially impacted. NextCapital Advisers

can and will also receive data and information about Client accounts from their custodian and Broker. Additionally, NextCapital Advisers can and will utilize data and information from one or more third party data providers in order to evaluate and analyze securities. If such data and/or information were to prove inaccurate, false or otherwise materially compromised, NextCapital Advisers could be materially impacted.

Cybersecurity and Information Security Risks. Investment advisers, including NextCapital Advisers, must rely, in part, on digital and network technologies (collectively, "Networks") to conduct their businesses. Such Networks are at risk of cyber attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruption. Cyber attacks are carried out by persons using techniques that could range from efforts to electronically circumvent Network security (or overwhelm websites), to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain Network access. NextCapital Advisers maintains an information technology security policy and certain technical and physical safeguards intended to protect the confidentiality of its internal data. Nevertheless, cyber incidents can occur, and such incidents could very well result in unauthorized access to sensitive information about NextCapital Advisers or Clients.

Market Risks. The advice NextCapital Advisers provides and other information comprising any proffered investment strategy may be time sensitive, especially during times of significant market volatility. Thus, acting on investment advice after the date originally rendered can cause significant losses to a Client's portfolio. Moreover, the success of NextCapital Advisers' investment strategy and advice may be significantly and adversely affected by general economic and market conditions, such as changes in interest rates, the availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the investments NextCapital Advisers implements on behalf of Clients.

Regulatory and Legal Risks. Performance can directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: (i) changes to federal and state securities laws; the (ii) outcome of regulatory examinations, investigations and enforcement actions; (iii) changes in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and (iv) changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). In certain circumstances, a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Advice provided by NextCapital Advisers may also be affected by changes in domestic and international current events and political circumstances. Moreover, advice can also be adversely affected by individual legal claims and class action claims.

Foreign Investing and Emerging Markets Risks. Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices, and foreign regulation may be inadequate or irregular.

ETF and Mutual Fund Risks. ETF or mutual fund performance may not exactly match the performance of the index or market benchmark that the ETF or mutual fund is designed to track for many reasons, including:

- The ETF or mutual fund will incur expenses and transaction costs not incurred by any applicable index or market benchmark;
- Certain securities comprising the index or market benchmark tracked by the ETF or mutual fund may, from time to time, be temporarily unavailable;
- Certain ETFs or mutual funds may use synthetic products to reduce tracking error with the market benchmark tracked by the fund, which, in turn, relies on the synthetic counterparty to carry through with its obligation to pay the agreed upon index return. If that does not occur, the ETF or mutual fund risks incurring losses that would impact investors; and
- Supply and demand in the market for either the ETF and/or for the securities held by the ETF or mutual fund may cause the ETF or mutual fund shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF or mutual fund.

Certain ETF or mutual fund strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that when a Client account is invested in ETFs or mutual funds, the Client will pay two levels of compensation – advisory fees charged by NextCapital Advisers **plus** any management fees charged by the issuer of the ETF or mutual fund. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if such Client purchased the ETF or mutual fund directly.

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

A mutual fund may keep a portion of its assets in low-paying cash alternatives to allow the mutual fund to meet investor redemption requests. If that amount is substantial, it can reduce a fund's returns to a Client account. The mutual fund can also be affected by the actions of other investors. If a mutual fund experiences an increase in redemption demands, the mutual fund manager might have to sell investments at a less than ideal time to meet those demands. Likewise, if a mutual fund has a sudden influx of money, it might have difficulty finding worthy investments.

The timing of a purchase or sale of a mutual fund in a taxable account can affect a Client's tax liability, as mutual funds pass-through dividends and capital gains resulting from activity in the mutual fund. This typically occurs once per year around year-end; however, if a taxable Client account purchases mutual fund shares just before this distribution, the Client will owe taxes that year on that distribution, even if the Client's shares of the mutual fund have not appreciated. Dividends distributed from fixed income ETFs or mutual funds are technically interest income and may be subject to tax at ordinary income tax rates. ***NextCapital Advisers makes certain assumptions with respect to taxes and utilizes such assumptions, as well as other inputs, to provide tax-aware forecasts that ultimately factor into advice. However, NextCapital Advisers neither purports itself to be a tax professional, nor provides tax advice. Clients are encouraged to consult an independent tax or accounting advisor with respect to the Personal Portfolio Service.***

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which, in turn, may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by NextCapital Advisers may be affected by the risk that currency devaluations affect Client purchasing power.

Other Operational Risks. NextCapital Advisers' Personal Portfolio Service is also subject to various operational risks that could emanate from a number of factors, including, but not limited to: human error, errors of service providers or other third parties, processing and communication errors, failed or inadequate processes, and technology or system failures.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved with NextCapital Advisers' Personal Portfolio Service. Prospective clients should seek independent consultation before deciding whether to utilize any of NextCapital Advisers' services.

**Item 9:
Disciplinary Information**

There are no legal or disciplinary events that NextCapital Advisers believes are material to a Client's evaluation of NextCapital Advisers, or the integrity of NextCapital Advisers' management.

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

NextCapital Advisers has no other financial industry activities or affiliations required to be disclosed in this Brochure.

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

In accordance with the Investment Advisers Act of 1940, as amended, NextCapital Advisers has adopted a Code of Ethics for all supervised persons of the firm describing NextCapital Advisers' high standards of business conduct and fiduciary duty to act in the best interests of Clients. The Code of Ethics includes written policies and procedures governing the conduct of the firm's supervised persons, including, but not limited to, provisions relating to the confidentiality of Client information, a prohibition on insider trading, disclosure of conflicts of interest, restrictions on the acceptance of significant gifts (and the reporting of gifts and business entertainment items), personal securities trading, and limits on state and local political contributions, among others. All supervised persons at NextCapital Advisers must acknowledge adherence to the terms of the Code of Ethics on an annual basis, or as amended. Upon request, NextCapital Advisers will provide a copy of the Code of Ethics to Clients and prospective clients. To request a copy of the Code of Ethics, please contact NextCapital Advisers at: compliance@nextcapital.com.

NextCapital Advisers will generate advice and buy or sell securities for Client accounts based on the advice generated via proprietary algorithms coded into the Software Platform. As a matter of Policy, NextCapital Advisers employees are allowed to buy or sell Funds identical to or different than those recommended to Clients for their personal accounts. As a consequence, NextCapital Advisers employees could have a financial incentive to buy or sell such securities for Client accounts,

although this incentive is limited because NextCapital Advisers generally recommends to Clients index funds and ETFs where Client activity in such securities is unlikely to materially impact their price. NextCapital Advisers enforces a Code of Ethics to help monitor and mitigate employee trading activity that could be in conflict with Clients' best interests.

Dollar Based Transactions and Fractional Shares

NextCapital Advisers translates orders generated on behalf of Clients in terms of U.S. Dollars to a corresponding number of shares for purposes of sending orders for execution to the Broker and, thereafter, maintaining assets in a Client's account. As a consequence of dollar-based transactions, a Client can hold fractional share interests in certain securities. Fractional share amounts in certain securities such as ETFs may be unrecognized, illiquid, unmarketable or unable to transfer to another brokerage account outside of the Personal Portfolio Service.

NextCapital Advisers, through use of a facilitation account established at the Broker, will allocate, at its discretion, transactions to Client accounts resulting in a Client account holding fractional share interests in securities. In order to facilitate the allocation of fractional shares, NextCapital Advisers must participate side-by-side in Client transactions only to the extent required to flatten NextCapital Advisers' Average Price Allocation Account ("AvgPx Account") at the Broker prior to the end of each trading day. At no time does NextCapital Advisers enter into principal transactions with Client accounts, whereby NextCapital Advisers buys from, or sells to, any Client account shares of any securities through NextCapital Advisers' fractional share facilitation account ("Fractional Account").

NextCapital Advisers and the Broker have established procedures to eliminate the opportunity for NextCapital Advisers to benefit financially from this limited, side-by-side participation in Client transactions, and to avoid any material conflict that may result from residual fractional shares being allocated to NextCapital Advisers' Fractional Account.

Allocating Fractional Shares

The algorithmic trading strategies that NextCapital Advisers employs requires order generation and trade execution in whole shares. These trade executions will occur in NextCapital Advisers' AvgPx Account at the Broker. At the end of each trading day, the Broker requires that NextCapital Advisers' AvgPx Account be flattened. Therefore, NextCapital Advisers must allocate any fractional share remainders left over from Client orders and allocations to NextCapital Advisers' Fractional Account.

Item 12: Brokerage Practices

Trade Aggregation

NextCapital Advisers' policy is to aggregate Client trade orders where possible and when advantageous to Clients. In these instances, Client accounts participating in any aggregated transactions will receive an average share price and any transaction costs will be shared equally and on a pro-rata basis. In order to avoid buying and selling the same security for all Client accounts through multiple broker-dealers, NextCapital Advisers may aggregate all such Client transactions into one block trade that is executed through one broker-dealer. This practice enables NextCapital Advisers to potentially obtain more favorable execution, including better pricing and enhanced investment opportunities than would otherwise be available if orders were not aggregated. Using block transactions can also assist NextCapital Advisers in potentially avoiding an adverse effect on the price of a security that could result from simultaneously placing a number of separate, successive, or competing Client trade orders. However, as it pertains to Client accounts, this practice may result in "trading away" from the Broker, which is where NextCapital Advisers executes trades for a Client with a broker-dealer other than the Broker. It should be noted that only certain accounts (accounts larger than \$100,000 at the time of trading) are eligible for "trading away".

NextCapital Advisers may aggregate purchase or sale orders for a Client account with purchase or sale orders in a particular security for other Clients accounts when such aggregation may result in a more favorable net result to all participating Clients. However, NextCapital Advisers is under no obligation to so aggregate orders. Circumstances may arise where NextCapital Advisers determines that, while it would be both desirable and suitable to aggregate Client orders for a particular security or other investment, there is a limited supply or demand for the security or other investment. Under such circumstances, NextCapital Advisers will seek to allocate investment opportunities equitably, over time, to Client accounts, as Clients are not assured of participating equally or at all in particular investment allocations. As a consequence of NextCapital Advisers' position, different groups of Clients are likely to receive different execution prices and consequently would experience different rates of return.

Best Execution

NextCapital Advisers has an obligation to seek "best execution" of Client trade orders. This means NextCapital Advisers will act with full discretionary authority to execute trades with those Brokers it believes are capable of providing the execution that is the most favorable to Clients under the circumstances. NextCapital Advisers may determine that the Broker or another broker-dealer's execution capabilities provide the most favorable options under the circumstances. In complying with its best execution obligation, NextCapital Advisers will review several factors that reflect on the quality of broker-dealer trade execution.

NextCapital Advisers may consider the full range and quality of a broker-dealer's services, including, but not limited to, execution price, as well as the following factors:

- The nature of the security;
- The size and type of transaction;
- The nature and character of relevant markets;
- The expected transaction and commission costs of execution through the broker-dealer;
- The executing broker's execution, clearing, settlement capabilities and reputation;
- The importance of speed, knowledge, efficiency, consistency and anonymity provided by the executing broker-dealer; and
- Other investment opportunities.

Additional trading costs associated with "trading away," as previously described, may be one of several factors NextCapital Advisers assesses when fulfilling its best execution obligation. NextCapital Advisers will consider different factors or may place different weight on the factors it uses to meet its best execution obligation. NextCapital Advisers best execution obligation does not require NextCapital Advisers to solicit competitive bids for each transaction or to seek the lowest available commission cost of executing Client trade orders, so long as NextCapital Advisers reasonably believes that the broker-dealer selected can be reasonably expected to provide Clients with the most favorable execution under the circumstances.

Broker Selection

In selecting broker-dealers to serve as a Broker for Client accounts, NextCapital Advisers first determines which broker-dealers have an investment management platform that allows NextCapital Advisers to submit trade orders for execution on behalf of Clients. NextCapital Advisers then assesses broker-dealers using factors that include, but are not limited to, the following:

- Financial strength and reputation of the broker-dealer;
- Proper registration, licensing, and background checks of both the broker-dealer and individuals of the broker-dealer;
- Whether the broker-dealer has a trading platform that supports the administrative requirements for trading and record keeping;
- The amount of experience the broker-dealer has in handling the transaction, brokerage, custodial and record-keeping needs of an internet based investment adviser;
- Whether the broker-dealer's securities pricing, transaction, and custodial costs are reasonable;
- The likelihood the broker-dealer will meet or exceed its best execution obligations for Client account transactions;
- The level of responsiveness that the broker-dealer will bring to NextCapital Advisers' execution needs for Client accounts;
- The extent to which the broker-dealer has access to securities that NextCapital Advisers selects for Client account transactions;
- The broker-dealer's block trading capabilities;
- The broker-dealer's ability to facilitate creations and redemptions of ETFs; and

- The accuracy of trades and trade confirmations and, in the event that errors occur, a rapid and fair error correction process.

Currently, NextCapital Advisers only utilizes Pershing Advisor Solutions LLC and its affiliates ("Pershing") as the Broker for Client securities transactions. NextCapital Advisers anticipates utilizing other Brokers in the near-future.

Directed Brokerage

In a directed brokerage arrangement, the Client - instead of NextCapital Advisers - determines the selection of a particular broker-dealer for securities transactions in the Client account. NextCapital Advisers currently does not permit Client-directed brokerage transactions, but reserves the right to allow for such transactions in the future.

Soft Dollar Benefits

Soft dollars relate to the practice of using a portion of commissions generated when executing client transactions to acquire research and brokerage services from broker-dealers. Certain investment advisers will consider research and other services in making brokerage decisions and, when they deem appropriate, these investment advisers may use a portion of commissions generated when executing client transactions through a broker (or "Soft Dollars") to acquire research and brokerage services ("Soft Dollar Benefits") in a manner consistent with the "safe harbor" provided under Section 28(e) of the Securities Exchange Act of 1934, as amended. Under the safe harbor and SEC interpretation of the same, investment advisers may use Soft Dollars to pay for Soft Dollar Benefits, even when such benefits may also be available for cash, to the extent permitted by law and applicable jurisdictions, when such Soft Dollar Benefits assist investment advisers in meeting client investment objectives or in managing client accounts.

Soft Dollar - Research Services

Under Section 28(e)(3) of the Securities Exchange Act of 1934, a person provides research services insofar as he or she: (i) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities; or (ii) furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts. The SEC has said that a common element among advice, analyses, and reports is that each contains the expression of reasoning or knowledge about the subject matter.

Soft Dollar - Brokerage Services

The SEC applies a "temporal standard" to "brokerage services" eligible under the Section 28(e) safe harbor. Under this view, brokerage services relate to activities from the time an investment adviser communicates with a broker for purposes of transmitting an order until funds or securities are delivered or credited to a client's account. As such, brokerage services eligible under Section 28(e)

may include various communication services related to the execution, clearing and settlement of transactions, such as connectivity services between an investment adviser and a broker or other relevant parties (including dedicated lines between the broker and an order management system, dedicated lines between the trading desk and the broker, and message services). Additionally, algorithmic trading software, as well as software to route orders to market centers or direct market access systems would be considered brokerage services within the safe harbor.

Soft Dollar - NextCapital Advisers' Practices

Client trades executed through Pershing are not subject to commission or transaction charges. NextCapital Advisers does, however, avail itself of benefits provided by its Broker, Pershing. Pershing provides NextCapital Advisers with trading tools and sponsors/pays for NextCapital Advisers' access to a third-party trade order execution management system ("EMS"). Access to the EMS allows NextCapital Advisers use of Pershing's algorithmic trading systems and direct market access systems, in addition to providing NextCapital Advisers with the ability to route and execute Client trade orders through other Brokers.

Trade Allocation

Where NextCapital Advisers has discretion to place orders to execute transactions on behalf of Client accounts, NextCapital Advisers can allocate such transactions to selected broker-dealers on certain markets, at certain prices and at certain commission rates as NextCapital Advisers, in good faith, deems appropriate. NextCapital Advisers will take into consideration, in the selection of broker-dealers, not only the available prices and rates of brokerage commissions, but also other relevant factors including, without limitation, execution capabilities and other services provided by broker-dealers, provided that such services are in compliance with Section 28(e) of the Securities Exchange Act of 1934.

Trading Costs and Fees

Client accounts are not subject to commissions on transactions when the Broker executes a trade order in the Client account. However, NextCapital Advisers, as permitted by the Broker and/or the client agreement, may choose to submit trades to a broker-dealer other than the Broker if NextCapital Advisers reasonably believes another broker-dealer can obtain a more favorable execution under the circumstances. Transactions executed at a broker-dealer other than the Broker are frequently referred to as "trading away".

Certain Client accounts (limited to accounts larger than \$100,000), are eligible for "trading away"; however, if NextCapital Advisers executes trades with a broker-dealer other than the Broker, then a Client account may incur trading costs in addition to the fees charged to the account as part of the Wrap Fee program. The broker-dealer executing the transaction may charge additional fees, such as: commissions, markups, mark-downs or "spreads" paid to market makers. Additionally, if a foreign

currency transaction is required, a foreign broker-dealer firm may receive compensation in the form of a dealer spread, markup or markdown. There may be other exchange or similar fees, including, but not limited to, foreign ordinary conversion fees, ETF creation fees charged by third parties, as well as foreign tax charges. As a result, if NextCapital Advisers were to trade away from the Broker, the strategy could be more costly to a Client account than if NextCapital Advisers had placed Client account trade orders with the Broker for execution.

Trade Errors

NextCapital Advisers has adopted policies and procedures for correcting trade errors. Trade errors can result from a variety of situations involving portfolio management, including, but not limited to: miscommunication of information, such as incorrect number of shares, incorrect price, incorrect account, or other circumstances such as inadvertently calling a transaction a buy rather than a sell (and vice-versa). NextCapital Advisers policies and procedures require that all errors affecting Client accounts be resolved promptly and fairly. The intent of the policy is to restore a Client account to at least the appropriate financial position considering all relevant circumstances surrounding an error. In other words, in accord with the industry standard, a Client should never suffer a loss as a result of a trade error caused by NextCapital Advisers, the Broker or any affiliate.

Item 13: Review of Accounts

Client accounts placed into the Personal Portfolio Service are reviewed via algorithms run through the Software Platform and/or other trading systems and advisory platform tools provided to NextCapital Advisers by Pershing.

NextCapital Advisers personnel or their designees oversee these outputs, as NextCapital Advisers' algorithms consider the information and risk profile provided by each Client, including individual goals (financial and otherwise), current financial status, investment objectives, and risk preference. Algorithms run through the Software Platform and/or other third party systems also take into account overall market movement, significant changes to one or more of the securities comprising a Client account, or changes in the applicable Client's life circumstances (to the extent the Client reports such changes to NextCapital Advisers).

When dispensing advice or undertaking actions on behalf of a Client account, NextCapital Advisers will rely upon the most recently available information from Client Held-Away accounts, even though the information may potentially be out-of-date. Thus, it is important for Clients to continually ensure the integrity and accuracy of Held-Away account information.

Reviewing and Adjusting Client Investment Recommendations

Client accounts utilizing Retirement Goal-based advice are reviewed at least annually by NextCapital Advisers. Personal Portfolio Service Clients can self-direct their preferred asset allocation at any time by submitting a client restriction request form to portfolio-ops@nextcapital.com.

Client accounts will also be reviewed and adjusted in those instances where a Client account is identified to fall outside of the Advice Range outlined in *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss*.

NextCapital Advisers bases its investment recommendations on information provided by the Client. For example, any information provided by the Client with regard to the Client's birthday, marital status, income, retirement age, savings rate, Held-Away accounts, or new managed accounts impacts the recommendations dispensed, and the actions undertaken by NextCapital Advisers on behalf of the Client. As such, if a Client were to provide NextCapital Advisers with inaccurate or false information, fail to provide material information, or fail to update material information in a timely manner, the quality and applicability of the investment strategies and recommendations delivered to the Client through the Personal Portfolio Service, as a result of the process to review the Client's account, may be materially impacted. Any change with regard to marital status, income, retirement age, savings rate, Held-Away accounts, or new managed accounts should be immediately reported by the Client directly through the Software Platform.

Reviewing and Re-Balancing Client Asset Allocations

On a daily basis, NextCapital Advisers' algorithms monitor managed asset allocations pursuant to thresholds established by NextCapital Advisers' Investment Committee. NextCapital Advisers has discretion to re-balance Client assets in order to meet target asset allocations within these thresholds. Should a Client's target allocation fall outside the established thresholds, NextCapital Advisers will re-balance Client assets to a level within the relevant thresholds. The automated re-balancing of Client accounts can occur as frequently as daily, and without regard to market conditions. It should be noted, however, that there may be situations wherein the Client portfolio may be outside of a relevant threshold, including, but not limited to, periods of extraordinary stock or bond market volatility or disruptions, disorderly market conditions, significant order imbalances, stock exchange outages, inordinate bid/ask spreads, inefficient function of price discovery mechanisms, stock exchange circuit breakers being activated, pricing discrepancies, disruptions of Treasury, Interest Rate or Credit markets, and limited and/or deteriorating liquidity.

Item 14: Client Referrals and Other Compensation

NextCapital Advisers does not have any referral arrangements whereby it compensates third-parties for referring Clients to NextCapital Advisers.

In addition to base salary and incentive stock options (ISOs), NextCapital Advisers personnel are eligible for bonus compensation. However, neither ISO grants nor bonus compensation are directly tied to the performance or amount of client assets managed. NextCapital Advisers mitigates this potential conflict through firm compliance training with respect to fiduciary obligations, and through other mechanisms such as firm governance. For example, one mandate of NextCapital Advisers' Investment Committee is to ensure that any advice services offered by the firm are prudent in nature and geared to serve the best interests of Clients.

**Item 15:
Custody**

NextCapital Advisers does not assume custody of Client assets, except to the extent a Client authorizes NextCapital Advisers (as the Client's authorized agent) to deduct management fees from the Client account. Client assets and Client accounts are held in the name of each Client and maintained in the custody of the Broker, who is also a "Qualified Custodian" as defined by SEC Rule 206(4)-2. Clients will receive periodic statements from the Broker. NextCapital Advisers urges each Client to carefully review account statements received from their Broker and compare such official custodial records to any account statements that NextCapital Advisers provides. NextCapital Advisers' statements may vary from the Broker's statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities or other instruments.

As part of the Client enrollment process, the Client elects to authorize NextCapital Advisers (as the Client's authorized agent), to deduct management fees directly from the Client's account at the Broker. Clients will be reminded, through periodic materials from NextCapital Advisers, to review Broker statements against NextCapital Advisers-provided Client account statements to ensure that the amount of fees deducted are correct.

**Item 16:
Investment Discretion**

NextCapital Advisers exercises discretionary authority over Client accounts and is granted discretionary authority by the Client at the outset of the Client's advisory relationship with NextCapital Advisers. Discretionary authority is provided through an investment advisory or similar agreement which grants NextCapital Advisers a limited power of attorney over Client accounts to select the identity and amount of any investments to be bought or sold for the Client, calculate and

deduct management fees from the Client account, generate and direct execution of Client account trade orders (as necessary), and vote Client securities.

**Item 17:
Voting Client Securities**

NextCapital Advisers is granted proxy-voting responsibility for Personal Portfolio Service Clients. Imbued with proxy-voting responsibility, NextCapital Advisers will instruct the voting of proxies as a fiduciary.

Proxies are an asset of a Client, and therefore should be treated with the same care, diligence, and loyalty as any other asset belonging to a Client. Given the complexity of issues that may be raised in connection with proxy voting, NextCapital Advisers has enlisted a third-party research firm, Egan-Jones, to provide guidelines on how to vote proxies in the best interests of Clients. NextCapital Advisers' Investment Committee has adopted and implemented Proxy Voting Policies and Procedures that take into consideration reasonable due diligence of proxy advisory firms such as Egan-Jones and whether proxy advisory recommendations adhere to Client best interests, however, ultimate proxy voting decision-making shall be independently determined by the Investment Committee. NextCapital Advisers' Investment Committee reviews these guidelines annually. NextCapital Advisers' Proxy voting history will be made available to any Client upon request. Requests can be made to: compliance@nextcapital.com

NextCapital Advisers has enlisted Broadridge Financial Solutions to assist in the coordination and voting of proxies. This service includes timely delivery of meeting and record date information, proxy analysis through an electronic, web-based, vote execution platform, and detailed record-keeping of NextCapital Advisers' proxy voting.

**Item 18:
Financial Information**

NextCapital Advisers has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to Clients, and NextCapital Advisers has not been the subject of a bankruptcy.



Firm Brochure Supplement

of

NEXTCAPITAL ADVISERS, INC.

Personal Portfolio Service

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www.nextcapital.com

March 30, 2021

This Brochure Supplement provides information about certain NextCapital Advisers, Inc., ("NextCapital") employees that supplements NextCapital Wrap Fee Program Brochure you should have received. Please contact NextCapital Advisers at (312) 741-1497 or compliance@nextcapital.com if you did not receive NextCapital's Wrap Fee Program Brochure or if you have any questions about the contents of this Brochure Supplement. Additional information about NextCapital is available on the SEC's website at www.adviserinfo.sec.gov.

NextCapital's discretionary investment advice is provided by a team comprised of more than five Supervised Persons. NextCapital has provided supplementary information below for the Supervised Persons with the most significant responsibility for the day-to-day advice provided to Clients.

Dirk Quayle, CFA

Born 1963

Education

BBA, Finance, University of Iowa 1985

CFA, CFA Institute, 1992

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Business Background

1986-1989 AVP, Sumitomo Bank LTD.

1989-1997 Director, VP., Deutsche Bank AG.

1997-2014 President, Business Logic Corp.

2014-present President, NextCapital Advisers, Inc. and President, NextCapital Group

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Quayle is supervised by John Patterson, CEO and Chairman of NextCapital Group pursuant to NextCapital's policies and procedures.

Michael Sebastian

Born 1973

Education

BA, Liberal Arts & Sciences (Finance), University of Illinois at Urbana-Champaign, 1994

MS, Finance, University of Illinois at Urbana-Champaign, 1996

Business Background

1997-2010, Partner, Ennis, Knupp & Associates

2010-2020, Senior Partner, Aon Investments USA, Inc.

2021-Present, Chief Investment Officer, NextCapital Group

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Sebastian is supervised by Dirk Quayle, President of NextCapital Group pursuant to NextCapital's policies and procedures.

Robert Foregger

Born 1968

Education

BS, Business Administration, University of Vermont 1990

Business Background

1991-1995 Senior Product Manager, Blanchard Funds.

1995-1997 Senior Product Manager, Signet Financial Services

1998-2007 COO, EverBank.com and Chief Strategy Officer, EverBank Financial Corporation.

2007-2008 President, Fidelity Investments Personal Trust Co. and SVP, Fidelity Investments.

2009-2011 Chief Strategy Officer, Personal Capital Corporation

2013-present Executive Vice President, NextCapital Advisers, Inc. and Executive Vice President, NextCapital Group

Disciplinary Information

None

Other Business Activity

Board Member, Ursa Major Corporation

Additional Compensation

None

Supervision

Mr. Foregger is supervised by John Patterson, CEO and Chairman of NextCapital Group pursuant to NextCapital's policies and procedures.

David Slusarski

Born 1974

Education

BBA, Finance, Loyola University of Chicago 1999

Business Background

1999-2001	AVP Risk Management, TD Waterhouse, Inc.
2001-2008	Group Manager, Trading & Trade Operations, Fisher Investments, Inc.
2009-2013	Principal, Client & Portfolio Operations, Structural Investment Management LLC
2013-2015	Independent Financial Consultant
2015-2017	Chief Compliance Officer, NextCapital Advisers, Inc.
2015-2018	Director, Portfolio Operations, NextCapital Advisers, Inc.
2018-present	Vice President, Portfolio Operations, NextCapital Advisers, Inc.

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Slusarski is supervised by Mr. Quayle pursuant to NextCapital's policies and procedures.

Tristan Linke

Born 1985

Education

B.A. (Hons.) in European Business with Distinction, Finance, DCU Business School, 2010
Diplom-Betriebswirt in Diplom-Betriebswirt in Europäischer Betriebswirtschaft Distinction (German M.Sc. equivalent), Management, Economics and Finance, ESB Business School, 2010
M.Sc., Quantitative Finance with Distinction, Financial Econometrics, Lancaster University, 2011
Visiting Ph.D. candidate, Finance, Faculty of Business & Economics, University of Amsterdam, 2015
Ph.D., Finance, Financial Econometrics, Lancaster University Management School, 2011-2016

Business Background

2007 Summer Analyst, Lehman Brothers International, Zürich, Switzerland
2007-2008 Analyst M&A, Helbling Corporate Finance AG, Helbling Group, Zürich, Switzerland
2009 Analyst, Credit Suisse Analyst Investment Banking, Zürich, Switzerland
2012-2016 Teaching Associate, Dept. of Accounting and Finance, Lancaster University
2016-2017 Senior Analyst, NextCapital Advisers, Inc.
2017-2019 Director, Research, NextCapital Advisers, Inc.
2019-Present (Outside) Vice President, Advice Research and Methodology

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Linke is supervised by Mr. Quayle pursuant to NextCapital's policies and procedures.