



# SEC FORM ADV PART 2A: FIRM BROCHURE

March 2023

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This Form ADV Part 2A (“Brochure”) provides information about the business practices of SigFig Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at [support@sigfig.com](mailto:support@sigfig.com) or by telephone at 855-974-4344. 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. Any references in this Brochure to SigFig as a “registered investment adviser” are not intended to imply a certain level of skill or training. Additional information about SigFig is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 1 COVER PAGE**

## ITEM 2

# MATERIAL CHANGES

Since the last updating amendment to SigFig's Form ADV, Part 2A on March 25, 2022, SigFig made various non-material changes herein to provide better clarification about our business, products and services. Certain material changes to this Brochure include amendments to the following items:

### Item 1 – Cover Page

- Updated website, contact phone number and general disclosure.

### Item 4 – Advisory Business

- Updated disclosure regarding SigFig's sub-advisory and service provider arrangements with other Financial Institutions.
- Assets under management updated to reflect amounts as of December 31, 2022.

### Item 5 - Fees and Compensation

- Updated disclosure to remove source of revenue involving advertising through media partnerships.
- Updated disclosure regarding SigFig's discretion to set minimum investment levels, fees and eligibility criteria under certain circumstances.
- Updated disclosure to clarify broker-dealers utilized by Clients and Digital Advice Investors and the role of Partner Financial Institutions in relationships with Digital Advice Investors, and removed stale information about SigFig practices relating to these areas.

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

- Updated disclosure regarding timing to effect rebalancing and certain trading.
- Updated disclosure removing certain information about processes and considerations related to Operating Events.

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

- Updated disclosure regarding processes for Access Person reporting and removed redundant disclosures.

### Item 12 - Brokerage Practices

- Updated disclosure clarifying that generally SigFig does not determine broker-dealers to be used and explaining certain oversight efforts and responsibilities of SigFig and Partner Financial Institutions.
- Updated disclosure regarding SigFig's trading practices.

### Item 15 - Custody

- Updated disclosure to better communicate the nature of SigFig's custody arrangements.

### Item 16 - Investment Discretion

- Updated disclosure to better communicate the nature of SigFig's advisory services to different types of clients and investors.

# ITEM 3

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## ITEM 4

# ADVISORY BUSINESS

## A. General Description of Advisory Firm

SigFig Wealth Management, LLC (“SigFig”) is a limited liability company that was founded in 2011 and is an investment adviser registered with the SEC. SigFig is a wholly-owned subsidiary of Nvest, Inc (“Nvest”). Advisory services are provided by SigFig, while Nvest and its affiliates provide other non-advisory services and products.

## B. General Description of Advisory Services Offered

### 1. Investment Advisory Services

SigFig provides free portfolio tracking service to individuals (“Users”) by allowing them to link their external brokerage accounts to SigFig’s web-based platform.<sup>1</sup>

Utilizing its proprietary web-based technology, SigFig also provides discretionary investment advisory and portfolio management services to individuals who open an investment management account with SigFig (the “Clients”) and enter into an investment advisory agreement (“Investment Advisory Agreement”). Clients also include individuals that open investment advisory accounts with SigFig through a co-branded program with another partner institution, where SigFig acts as the sole investment adviser. SigFig’s rebalancing rules and trading logic generate investment recommendations based on such Client’s risk profile, trading patterns and existing individual portfolio investments, if any, as provided by the Client. SigFig’s advisory services are made available to Clients through its website at [www.sigfig.com](http://www.sigfig.com) ([www.sigfig.com/site/#/home/am](http://www.sigfig.com/site/#/home/am)), mobile apps and through co-branded pages and widgets on its partners’ websites (collectively the “Website”). In all of these cases, including those where the services are made available to Clients through a co-branded partner website, SigFig’s web-based platform directs the investment advisory services and hosts certain Client data.

SigFig’s online platform allows Users and Clients to:

- Sync portfolio data from the existing brokerage accounts and review it holistically in an easily accessible interface;
- Track and analyze holdings;
- Receive real-time and delayed market data and news on securities in their portfolios;
- Calculate portfolio performance and other analytics;
- Receive analysis and/or recommendations on their trading style and trading behaviors; and
- Create and edit mock portfolios and watch lists.

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<sup>1</sup> It should be noted that Users do not enter into an investment agreement with, nor do they pay fees to, SigFig. Further, SigFig does not have any discretion over Users’ brokerage accounts, nor does SigFig provide recommendations to Users to purchase or sell any specific securities. For the aforementioned reasons, Users are not considered advisory clients of SigFig.

In addition, Users who are also Clients of SigFig can:

- Use tax-loss harvesting feature;<sup>2</sup> and
- Receive analysis and/or recommendations of mutual funds and exchange-traded funds (“ETFs”) based on their answers to a risk profile questionnaire, existing investment portfolio and transaction history, if any.

As noted above, SigFig’s technology enables Users and Clients to import their external accounts data onto SigFig’s platform. Users and Clients then have the ability to see their synced portfolio in one place, irrespective of which and how many SigFig-supported brokerage firms they use. Users must make an independent determination as to whether to follow any guidance provided through the SigFig Website and must make their own arrangements for execution of any desired transactions, the hiring of any investment adviser or the use of any broker-dealer. As noted, SigFig does not provide investment advisory services to Users.

SigFig currently provides investment advice only with respect to model portfolios that include predominantly mutual funds and ETFs, and to a lesser extent, individual stocks and other holdings (collectively, “Securities”) and provides tax-loss harvesting services. As part of its services, SigFig works with certain broker-dealers that provide custodial and execution services to Clients. SigFig’s advice is currently intended to be limited to the foregoing.

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<sup>2</sup> Tax-loss harvesting is a process that is designed to realize losses to offset gains made within the portfolio. SigFig does not provide tax or legal advice. Please see additional information below in Item 8.B.

## **2. Sub-Advisor, Portfolio Manager and Service Provider Services to Partners**

Additionally, SigFig and its parent company enter into partnerships with various Financial Institutions that may be registered investment advisers, banks, broker-dealers or other financial institutions (the “Financial Institution(s)” or “Partner(s)”). Under these arrangements, we license proprietary web-based technology to the Financial Institutions acting as a service provider to the respective Partner and, depending on the nature of the partnership, SigFig may serve as the sole adviser to the Clients referred by the Partner (as noted above and described further in Item 14 of this Brochure), or as a co-adviser or sub-adviser to the Partner. In these sub-advisory arrangements with the Partner, SigFig provides certain portfolio management services to the Partner for the benefit of its clients or possibly directly to the Clients depending on the nature of the partnership and relationship with the client.

The sub-advisory and portfolio management services are provided by SigFig primarily through the use of its proprietary technology, and a website operated and hosted by or on behalf of SigFig by the respective Financial Institution for the benefit of joint clients or those clients of the Financial Institutions (“Digital Advice Investors”) who elect to receive such investment advisory services (the “Digital Advice Program”). In the case of such sub-advisory and portfolio management services, SigFig generates and implements investment recommendations based on the information and specifications provided to it by the prospective Digital Advice Investors and/or the Financial Institution.

In this capacity, SigFig’s services are generally limited to the following, depending on the nature of the partnership:

- Provide to prospective Digital Advice Investors a risk profile questionnaire (as prepared by the Partner, or as developed by SigFig and approved by the Partner) that will serve as the basis for the development of the Digital Advice Investors’ risk profile and investment objectives, from which investment recommendations are provided;
- Generate and/or present investment recommendations to each prospective Digital Advice Investor as provided to SigFig from the Financial Institution or based on the parameters determined or approved by the Financial Institution;
- Implement, on a discretionary basis, such recommendations after the prospective Digital Advice Investor has opened a Digital Advice Program account by executing an Investment Advisory Agreement with the Financial Institution;
- Oversee and monitor Digital Advice Investor accounts in accordance with the investment portfolios developed or approved by the Financial Institution;
- Rebalance and generate trade orders to align Digital Advice Investors with their recommended portfolio based on the rules and parameters configured and approved by SigFig’s Partners for Investors’ accounts;
- Implement tax-loss harvesting strategies in the accounts of Digital Advice Investors who opted to turn on this capability based upon preset criteria and specifications determined or approved by the Financial Institution; and
- Where agreed, evaluate, engage and perform ongoing monitoring of third party investment managers (“Model Providers”) that provide SigFig with model portfolios approved by the Financial Institution that

will be recommended to Digital Advice Investors (“Model Portfolios”).

The Financial Institution sponsoring and offering its Digital Advice Program determines which services of SigFig to utilize with the Digital Advice Investors and may utilize the services of other third-party or affiliated service providers in conjunction with the Digital Advice Program. Digital Advice Investors should therefore consult the Financial Institution’s Brochure for a fuller description of the specific use of SigFig’s services and any other important information about the respective Digital Advice Program.

## **C. Nature of Advisory Services and Client-Imposed Restrictions**

SigFig provides guidance as part of portfolio-tracking services to Users based on their existing portfolio data (as provided to SigFig by the User via the accounts effectively linked onto SigFig’s User Platform) and answers to a risk profile questionnaire.

With respect to advisory and sub-advisory services, SigFig tailors such services to the Clients’ and Digital Advice Investors’ respective investment objectives and risk tolerance, as communicated to SigFig by the Clients’ and Digital Advice Investors’ or, in case of certain Digital Advice Programs, generates and implements investment recommendations based on the information and specifications provided to it by the Financial Institution.

Clients and Digital Advice Investors are responsible for updating the information provided to SigFig (and the Financial Institutions in the context of Digital Advice Programs) in the event there are changes to their investment objectives, risk tolerance or any other information provided through the risk profile questionnaire.

SigFig bases its advisory services to Clients and Digital Advice Investors on the investment objectives and restrictions set forth in the information provided thereby, applicable Investment Advisory Agreement, digital advisory services schedules and terms of use, as the case may be. In addition, in formulating the investment recommendations for Clients and Digital Advice Investors’ accounts or implementing the investment recommendations provided and communicated to SigFig by the Partner, the Financial Institutions and SigFig will seek to comply with reasonable restrictions imposed by the Clients and Digital Advice Investors, which may include the designation of securities that should not be purchased or held in the Clients’ or Digital Advice Investors’ accounts.

- If SigFig, in management of its Client accounts or in consultation with the Financial Institution (in case of Digital Advice Programs), believes that the restrictions requested by a Client or Digital Advice Investor are unreasonable or inappropriate, SigFig will notify the Client or the Financial Institution will notify the Digital Advice Investor that, unless the restrictions are modified, the account will be removed from the respective program.
- Clients and Digital Advice Investors will not be able to impose restrictions that prohibit or restrict the purchase of ETFs.

Clients and Digital Advice Investors are strongly encouraged to consider their individual circumstances, risk tolerance and needs prior to following any investment recommendation.

The Digital Advice Programs offered through SigFig’s partnerships with certain Financial Institutions may be offered as a wrap fee program for which more information can be found in the relevant Financial Institution’s Brochure.



## **D. Assets Under Management**

As of December 31, 2022, SigFig managed approximately \$2,095,432,285 of Client and Digital Advice Investors' assets on a discretionary basis. SigFig does not currently manage any assets in a non-discretionary capacity.

## **ITEM 5**

# **FEES AND COMPENSATION**

### **A. Fees and Compensation**

SigFig's sources of revenue include management fees charged to the Clients and other arrangements addressed herein relating to Partners and Digital Advice Programs. SigFig currently delivers portfolio-tracking services without charge to Users. Clients are charged a flat fee or a percentage of the Client's assets under management. The management fee is generally no greater than .50% of assets under management. SigFig also may establish minimum investment amounts for investment advisory services or other program eligibility and reserves the right to take action up to and including termination of the advisory agreement if those requirements are not met. Clients should refer to their Investment Advisory Agreement for the applicable fee schedule and other information about account parameters. As noted, Client fee arrangements vary and SigFig may exercise discretion in determining fees depending on aspects of the Client relationship and other factors, including but not limited to promotions.

In addition, with respect to the Digital Advice Programs offered through the partnerships with certain Financial Institutions, SigFig's sources of revenue include a portion of the management fees charged to Digital Advice Investors by the Financial Institutions based on assets under management (the "Variable Fee"), as well as digital platform licensing, and various hosting and maintenance fees paid by the respective Financial Institution to SigFig. The Variable Fee is negotiated between SigFig and each Financial Institution and generally ranges from .05%-.10% of assets under management assessed monthly or quarterly. SigFig's agreement with its Partners may guarantee SigFig a minimum monthly, quarterly, or annual amount of management fees, such that the Financial Institution guarantees a minimum level of management fee revenues to SigFig, irrespective of whether the total management fees billed by the Financial Institution to the Digital Advice Investors or SigFig's agreed upon share thereof meets or exceeds that minimum.

Clients and Digital Advice Investors should pay particular attention to Item 5.C. below which describes other fees, not charged by SigFig or the respective Financial Institutions, that they may incur from third parties.

### **B. Fee Deduction**

Management fees are deducted automatically from Client accounts by the account custodian and are paid generally monthly, in arrears in accordance with the Investment Advisory Agreement and prorated to the date of account opening or termination. Clients consent to such direct or automatic debiting of fees.

In the context of Digital Advice Programs, depending on the nature of the partnership, SigFig may be compensated directly by the Financial Institution. Management fees are generally automatically deducted from Digital Advice Investors' accounts by the account custodian as directed by Financial Institution or SigFig in accordance with the relevant Investment Advisory Agreement between the Financial Institution and the Digital Advice Investor. Digital Advice Investors should refer to the relevant Financial Institution's Brochure for more information regarding management fees charged in the respective Digital Advice Program.

### **C. Other Fees and Expenses**

Clients and Digital Advice Investors may incur certain other standard fees and expenses billed by third parties. Such costs could include brokerage commissions, account opening fees, transaction fees, custodian fees, investment adviser fees and other related costs and expenses that will be incurred directly by the Client or

Digital Advice Investor.

Clients and Digital Advice Investors should carefully review their Investment Advisory Agreements with SigFig or the respective Financial Institution for disclosures around fees.

## **D. Compensation for the Sale of Securities or Other Investment Products**

As noted elsewhere in this Brochure, depending on the nature of the partnership, investment recommendations made by SigFig and the Financial Institution in the context of the Digital Advice Programs will, in certain cases, be executed by broker-dealers affiliated with the Financial Institution. As such, when the Digital Advice Investors' trade execution is directed to a Partner's affiliated broker-dealer, Digital Advice Investors may not obtain rates as low as they might otherwise obtain if a different broker-dealer were to be used. Also, such arrangements may cause the Partner's affiliated broker-dealer to earn additional compensation (such as clearing and custody payments). This practice presents a conflict of interest and gives SigFig or the Financial Institution an incentive to recommend investment products based on the compensation received, rather than on the Digital Advice Investor's needs. Digital Advice Investors are encouraged to review the relevant Financial Institution's Brochure for more information.

As outlined further in Items 8 and 12, depending on the nature of the partnership and Digital Advice Program, SigFig may not have investment authority, discretionary or otherwise, to select or purchase securities for certain Digital Advice Investors. Additionally, in Digital Advice Programs, brokerage arrangements are generally decided by the Partner or Financial Institution. Since the Partner, and not SigFig, is generally responsible for selecting and recommending broker-dealers to introduce or execute transactions, the Digital Advice Investors may pay higher brokerage commissions or may receive less favorable prices than would be the case if other broker-dealers were selected to execute transactions.

## **ITEM 6**

# **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

SigFig does not charge performance-based fees.

## ITEM 7

# TYPES OF CLIENTS

SigFig Clients and Digital Advice Investors are generally individual investors who are seeking to optimize their investment portfolio, reduce their transaction costs, and/or hire an investment adviser. Clients and Digital Advice Investors are not required to have a certain amount of investment experience, personal wealth or sophistication. SigFig generally imposes a \$2,000 minimum investment on the Clients, which can be reduced or otherwise modified at SigFig's sole discretion. Digital Advice Programs may also impose minimum investment requirements. Digital Advice Investors should refer to the relevant Financial Institution's Brochure for information regarding investment minimum requirements.

Prior to receiving investment advice from SigFig, prospective Clients are required to open an account on SigFig's online platform, among other necessary actions. To register an account, a prospective Client is required to provide SigFig with certain information, including:

- Identifying Information (e.g., email and password);
- Information regarding the Client's existing investment portfolios, if any (either by effectively linking any such accounts, so that SigFig can directly obtain Client account holdings or otherwise inputting the account information);
- Responses to a risk profile questionnaire in order to determine which investment recommendations should be provided to the Client;
- An agreement to SigFig's Terms of Service; and
- An acknowledgment and agreement to SigFig's Privacy Policy.

It should be noted that certain of SigFig's information services are accessible without registering a user account. Such services do not involve the provision of investment advice.

Similarly, prior to receiving investment advice from the Financial Institution and SigFig, Digital Advice Investors are required to open a Digital Advice Program account and provide the Financial Institution and SigFig with certain information, including:

- Identifying Information;
- Responses to a risk profile questionnaire – designed by SigFig and reviewed and/or approved by the Financial Institution or designed by the Financial Institution – in order to determine which investment recommendations should be provided to the Digital Advice Investor;
- An agreement to the Financial Institution's Terms of Service; and
- An acknowledgment and agreement to the Financial Institution's and, in certain cases, SigFig's Privacy Policy.

## ITEM 8

# METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

### A. Methods of Analysis and Investment Strategies

As described in Item 4.B, SigFig provides certain investment advisory and portfolio management services to Clients and Digital Advice Investors using its proprietary web-based software and the Website. With respect to the Digital Advice Programs, the Website is operated and hosted by or on behalf of SigFig by the relevant Financial Institution and investment recommendations to each prospective Digital Advice Investor may be formulated or reviewed and approved by the Financial Institution.

In those partnerships that offer a Digital Advice Program, the Financial Institution is typically responsible for the selection and approval of the Model Portfolios and investment solutions made available on the platform. This generally includes review and approval of the following: analytical methodology, investment strategy determination, model portfolio construction, security selection within each asset class, and the configuration of parameters for tax-loss harvesting strategies delivered through the Digital Advice Program. Digital Advice Investors should refer to the relevant Financial Institution's Brochure for detailed information on methods of analysis and investment strategies used within the Digital Advice Program offered through SigFig's partnership with such Financial Institution.

In the context of Model Portfolios provided by Model Providers other than SigFig, a conflict of interest may exist in terms of those Model Providers providing information or updates to those models across all firms and investors that employ those models. SigFig has processes in place to implement changes to Model Portfolios received from Model Providers, but does not have any control over how or when such updates are disseminated by the Model Providers. SigFig advises Clients and/or Digital Advice Investors to review disclosures from the Model Providers and Financial Institution.

In relation to Clients and certain Digital Advice Investors, where applicable, SigFig's investment methodology is based on a researched and monitored portfolio management framework:

1. SigFig researches asset class options to understand their performance in different market and economic conditions by analyzing class returns, volatility, and correlation among the classes and identifies which asset classes contribute to a well-balanced portfolio;
2. Further, SigFig typically selects investment vehicles that it believes provide the balance of market coverage at a reasonable cost compared with other vehicles;
3. SigFig creates portfolios matched to a range of risk tolerances that are designed to follow Modern Portfolio Theory ("MPT") techniques. Generally, MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. By investing in various asset classes, i.e. diversifying, an investor can potentially reduce the overall riskiness of the portfolio. Picking a specific mix of asset classes for a particular investor depends on such individual's risk tolerance and requires a technique known as mean-variance optimization, which is an analysis of the expected performance, variability, and correlation of each asset class based on observations over the last twenty years, weighted towards more recent history. Our objective is to construct a series of portfolios that are designed to have the least amount of risk for various levels of

return. However, this analysis is based on the forward-looking projections that are inherently uncertain and there is no guarantee that any given portfolio will meet its objectives.

4. In the risk profile questionnaire, we ask Clients and Digital Advice Investors a set of questions to develop an understanding of their goals and preferences to balance the riskiness of investing with expected returns;
5. SigFig monitors and, if needed, rebalances and trades Clients' and Digital Advice Investors' portfolios to maintain the model asset allocation. SigFig typically effects rebalancing and trading in a reasonable timeframe based on industry standards, which may be impacted by various factors, including but not limited to market conditions, reasonable restrictions and other account-specific issues.

SigFig's platform generates investment recommendations based on the Client's or Digital Advice Investor's risk profile. The risk profile is built using categories of information and data about a Client or Digital Advice Investor, such as age, time horizon, income, liquid assets, estimated percentage of household income saved, and risk tolerance, as provided by them in the risk profile questionnaire through the Website. As mentioned elsewhere in this Brochure, the risk profile questionnaire in the Digital Advice Programs may be generated by the Partner or developed by SigFig and approved by the Partner.

In addition, SigFig makes a guidance application ("Guidance Application") available to Users, Clients and Digital Advice Investors in certain Digital Advice Programs, which allows them to sync their existing investment accounts onto SigFig's or respective Digital Advice platform and performs an analysis of these accounts (if effectively synced). The synced portfolios data is analyzed against the recommended portfolio based on certain criteria, such as volatility, stock/bond split, expense ratio, amount of cash maintained in the account, geographic diversification and single stock exposure, and provides the User, Client or Digital Advice Investor guidance (as applicable) on ways they could potentially optimize their existing portfolio. In the Digital Advice Program context, the Financial Institutions can elect not to use the Guidance Application or have it perform the analysis on (a) accounts maintained with the Financial Institution and its affiliates; or (b) on accounts maintained with the Financial Institution and its affiliates and third-party financial services providers. Guidance Application results are for informational purposes only and based on information believed to be accurate, but that SigFig has not verified.

SigFig's rebalancing rules and trading logic are designed to assess and account for potential tax impact when transitioning the Client's or Digital Advice Investor's existing portfolio into the recommended portfolio and perform ongoing tax efficiency assessment when executing trades in the Clients' and Digital Advice Investors' accounts. Clients and Digital Advice Investors should not construe the contents of the Website or any recommendation made by SigFig as tax advice. Each Client and Digital Advice Investor must rely upon its own representatives as to tax and other aspects of an investment in securities and as to its suitability for such Client or Digital Advice Investor.

SigFig's Investment Committee serves in an oversight capacity over its investment management function, such as reviewing investment strategy, model construction, selection and changes, the securities used in Client and Digital Advice Investor portfolios, as well as trading, general market conditions and operational issues.

As noted above, SigFig provides portfolio tracking services (and in certain cases, guidance services) to Users. The Users must make their own investment decisions based on the guidance and supporting information provided. Clients with accounts in SigFig's paid investment management service give SigFig discretionary authority to direct, manage, and change the investment and reinvestment of the Client's assets based on the information provided by the Clients and their risk profile. Digital Advice Investors with accounts in certain Digital Advice Programs give the partner Financial Institution, with SigFig as sub-adviser and portfolio



manager, or SigFig discretionary authority to direct, manage, and change the investment and reinvestment of the Digital Advice Investor's assets.

Clients and Digital Advice Investors are strongly encouraged to conduct their own analysis of, and investigation into, the methodologies employed by SigFig and/or Financial Institutions. The fact that a recommendation or guidance is generated by SigFig shall not be interpreted as a guarantee of performance. Historical performance is not a guarantee of future performance and clients may experience different results. Investing in securities involves risk of loss that Clients and Digital Advice Investors should be prepared to bear.

## **B. Risk Factors**

Investing involves risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. The performance of any investment is subject to, and influenced by, multiple factors which include, but are not limited to, inflation risk, market risk, interest rate risk, issuer risk and general economic risk. The discussion of material risks provided below is not meant to be a complete description of risks that may be applicable to SigFig or its methods of analysis or investment strategies.

**Reliance on third-party information.** SigFig conducts its analyses using historical and forward-looking information. SigFig relies on third parties, that may include certain Financial Institutions, for the provision of market statistics, fund details, performance, and related information and although these parties are generally reliable and reputable, there may be inaccuracies or discrepancies in the information that is beyond SigFig's control.

SigFig's recommendations are based on the information and data filed by the issuers of securities with various government regulators or made directly available to SigFig by such issuers, or indirectly through other third-party sources. Although SigFig, through its proprietary software, evaluates such information and data, SigFig is not in a position to confirm the completeness, genuineness, or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

SigFig bases its recommendations and/or guidance on information provided by Users, Clients, and Digital Advice Investors and relies on Users, Clients and Digital Advice Investors to provide accurate information. If the User, Client or Digital Advice Investor provides inaccurate information, or does not verify that SigFig's portfolio tracker has accurately captured their portfolio holdings when syncing with their account, this will impact the quality and relevance of SigFig's recommendations or guidance.

**Market Risk.** There is no guarantee that the securities selected by SigFig or the Financial Institution in the context of a Digital Advice Program will achieve their objective. The securities share price fluctuates and investors can lose money by investing in the securities. Securities may differ from each other in terms of investment style, objectives, management, geographical markets, holdings and numerous other factors. For a full description of the risks inherent in any specific security, Users, Clients, and Digital Advice Investors should read the prospectus of the particular security recommended.

SigFig's investment strategies and/or investments are likely to be exposed to risks relating to weaknesses in various global economies and risks related to the economic cycle. Numerous factors affecting the performance of SigFig's investment strategies, such as market volatility, interest rates, equity prices, currency prices, credit spreads, and deflationary and inflationary pressures, may be affected by the economic cycle and long-term economic trends. Predictions about financial market conditions and economic factors are highly uncertain, and



the presence, duration, and impact of any market or economic conditions could have a materially adverse effect on SigFig's investment strategies.

In recent years, disruptions in the global financial markets, the scope and severity of which are without precedent in recent financial history, have had materially adverse consequences for the values, liquidity, and stability of certain types of investments, including the types of investments that Clients and Digital Advice Investors may pursue. Similar or dissimilar disruptions may occur in the future, and the duration, severity and ultimate effect of such disruptions are difficult to forecast. In the event of a serious market disruption, SigFig may delay or suspend order submissions in respect of client accounts and certain money movements may also be impacted. Such trading delays or suspensions may result in increased tracking error, lower returns and/or an inability to effect portfolio strategies such as tax loss harvesting and rebalances.

**Technology Risk.** As mentioned above, SigFig provides its recommendations based on proprietary software that utilizes various quantitative and qualitative models to generate recommendations based on information input into the system by Clients and Digital Advice Investors. Such software generated recommendations, like all investment recommendations, may be subject to system error. No guarantee or representation is made that the investment recommendations will be successful.

In addition, the operation of the software might be subject to human errors, processing or communication errors or system failure. The changes made to the rebalancing rules and trading logic may not always have the desired or intended effect. Further, as market dynamics (for example, due to changed market conditions and participants) shift over time, a previously successful model may become outdated or inaccurate. As such, Users, Clients and Digital Advice Investors are urged to verify any recommendations generated by the SigFig platform with their own legal, financial, tax and economic advisors and to conduct their own due diligence on recommended investments before following any recommendation.

It is possible that Clients, Digital Advice Investors, SigFig, Partners, broker-dealers and/or other service providers may experience computer equipment failure, loss of internet access, viruses or other events that may impair access to SigFig's software-based investment advisory service.

In making investment recommendations there are a number of factors that SigFig may not consider, including but not limited to:

**Transaction Costs and Frequency of Trading:** With the exception of recommendations specifically focused on the frequency of the Client's or, if applicable, Digital Advice Investor's trading (e.g., a recommendation to trade less frequently), SigFig does not consider the frequency of a Client's or Digital Advice Investor's trading when the software generates a recommendation. If a Client's or Digital Advice Investor's investment approach involves a high level of trading and turnover of their investments, such approach may generate substantial transaction costs, tax implications (such as short-term capital gains) and other similar consequences that could negatively impact the value of the investment portfolio. Clients and Digital Advice Investors should bear these transaction costs in mind when deciding whether to follow the recommendations generated by SigFig.

**Certain Characteristics of Existing Portfolios:** SigFig does not consider the restrictions that may be inherent in a Client's or Digital Advice Investor's existing investment accounts when making investment recommendations. For example, when making a recommendation to sell a security and replace it with a similar security, SigFig does not consider (but attempts to disclose) whether the existing security would be subjected to an early redemption fee if the Client or Digital Advice Investor sells such security. Further, SigFig does not consider the brokerage costs for effecting transactions in the Client's or Digital Advice Investor's existing investment accounts when making securities recommendations. Clients and Digital Advice Investors should consider such potential costs, if applicable, and consult their financial advisors, as necessary, before acting on an

investment recommendation made by SigFig.

**Tax Loss Harvesting:** Clients or Digital Advice Investors should confer with their personal tax advisor regarding the tax consequences of investing with SigFig and, for Digital Advice Investors, the Financial Institution, and opting into the tax-loss harvesting strategy, based on their particular circumstances. Clients or Digital Advice Investors, together with their personal tax advisors, are responsible for how the transactions in their accounts are reported to the Internal Revenue Service (“IRS”) or any other taxing authority. SigFig assumes no responsibility to Clients and Digital Advice Investors for the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy. The performance of the new securities purchased for tax-loss harvesting purposes may have different expenses, returns, volatility and other characteristics relative to the securities that are sold for tax-loss harvesting purposes. The effectiveness, if any, of the tax-loss harvesting strategy to reduce tax liability will depend on the Client or Digital Advice Investor’s entire tax and investment profile, including purchases and dispositions in accounts (e.g., Client’s or Client’s family member) outside of SigFig and the Financial Institution and type of investments (e.g., taxable or nontaxable) or holding period (e.g., short-term or long-term). The utilization of losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws, e.g., if there are insufficient realized gains in the tax period, the use of harvested losses may be limited to a \$3,000 deduction against income and distributions. Losses harvested through the strategy that are not utilized in the tax period when recognized (e.g., because of insufficient capital gains and/or significant loss carryforwards), generally may be carried forward to offset future capital gains, if any.

SigFig only monitors for accounts managed by SigFig and the Financial Institutions. Clients and Digital Advice Investors are responsible for monitoring their and their other family accounts managed by other investment advisers to determine whether any transactions in the same security or a substantially similar security creates a “wash sale.” A wash sale is the sale at a loss and purchase of the same security or substantially similar security within 30 days of each other. If a wash sale transaction occurs, the IRS may disallow or defer the loss for current tax reporting purposes. More specifically, the wash sale period for any sale at a loss consists of 61 calendar days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. The wash sale rule postpones losses on a sale, if replacement shares are bought around the same time. SigFig may lack visibility to certain wash sales, should they occur as a result of external accounts, and therefore SigFig may not be able to affect whether a loss is successfully harvested and, if so, whether that loss is usable by the Client or Digital Advice Investor in the most efficient manner.

In order to avoid wash sales due to one or more transactions in the Client or Digital Advice Investor’s account, from time-to-time SigFig might replace a recommended investment (“primary” security) with a “similar” investment (“secondary” security) as part of the tax-loss harvesting strategy which may not be commission free. The secondary security is expected, but is not guaranteed to, perform similarly and that might lower a Client or Digital Advice Investor’s tax bill while maintaining a similar expected risk and return on the portfolio. Expected returns and risk characteristics are no guarantee of actual performance.

## **C. Material Risks of Investing in Mutual Funds and ETFs**

**Exchange-Traded Funds (“ETFs”).** An ETF generally is an investment company, unit investment trust or a portfolio of securities deposited with a depository in exchange for depository receipts. The portfolios of ETFs generally consist of common stocks that closely track the performance and dividend yield of specific securities indices, either broad market, sector or international. Fixed income ETFs generally consist of bonds issued by corporations or government entities. ETFs provide investors the opportunity to buy or sell throughout the day an

entire portfolio of stocks in a single security. Although index mutual funds are similar, their shares are generally issued and redeemed only once per day at market close. Investment in an ETF involves payment of such company's pro rata share of administrative fees charged by such company, in addition to those paid by a Client or Digital Advice Investor. Supply and demand in the market for either the ETF and/or the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.

**Mutual Funds.** An investment in mutual funds could lose money over short or even long periods. Clients and Digital Advice Investors should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market.

An ETF's or mutual fund's performance could be impacted by a number of factors including but not limited to:

**Investment style risk:** The chance that returns from small and mid-capitalization growth stocks will trail returns from the overall stock market. Historically, small and mid-cap stocks have been more volatile in price than the large-cap stocks that dominate the overall market, and they often perform quite differently. Small and mid-size companies tend to have greater stock volatility because, among other things, these companies are more sensitive to changing economic conditions.

**Market risk:** The chance that stock prices overall will decline.

**Manager risk:** The chance that an ETF or a mutual fund manager may make a poor security selection or focus on securities in a particular sector, category, or group of companies, which could cause the mutual fund to underperform relevant benchmarks or other funds with a similar investment objective.

**Interest rate risk:** The chance that bond prices will decline because of rising interest rates. Interest rate risk should be moderate for the fund because it invests primarily in short- and intermediate- term bonds, whose prices are less sensitive to interest rate changes than are the prices of long-term bonds.

## **D. Operating Events**

Trade errors and other operational mistakes ("Operating Events") occasionally occur in connection with the servicing and management of Clients and Digital Advice Investors' accounts ("Portfolios"). SigFig maintains policies and procedures that address identification and correction of Operating Events, consistent with applicable standards of care and client documentation. An Operating Event generally is compensable by SigFig (or the Financial Institution, if applicable) to a Client or Digital Advice Investor when it is a mistake (whether an action or inaction) in which SigFig has, in its reasonable view, deviated from the applicable investment guidelines, acceptable business practices or the applicable standard of care in managing a Portfolio.

SigFig 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, generally-accepted industry practices, contractual obligations, and other business practices. Not all Operating Events will be considered compensable, depending on the particular facts and circumstances.

Operating Events may result in gains or losses or could have no financial impact. Where SigFig's actions or inactions resulted in an Operating Event impacting a Digital Advice Investor's account, the Operating Event is reported to the Financial Institution and the account impacted is generally corrected in accordance with procedures established by the Financial Institution. With respect to an Operating Event which impacted a Client account, the Client will generally be made whole from any losses and otherwise not put in a worse situation resulting from the Operating Event, subject to the policies and considerations referenced herein.

## **ITEM 9**

### **DISCIPLINARY INFORMATION**

Neither SigFig nor its management personnel have had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority. Neither SigFig nor its management personnel have had any proceedings before a self-regulatory organization. The Digital Advice Investors should refer to the relevant Financial Institution's Brochure for the disciplinary information on such Financial Institution.

## ITEM 10

# OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. No Broker-Dealer Affiliations

Neither SigFig nor any of its supervised persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### B. No Affiliations with Futures Commission Merchants, Commodity Pool Operators or Commodity Trading Advisor

Neither SigFig nor any of its supervised persons are registered, or have an application pending to register as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor or an associated person of the forgoing entities.

### C. Relationships Material to SigFig's Business

Some model asset allocations offered by SigFig are supplied by and are proprietary to third-party investment advisers not affiliated with SigFig. Certain model asset allocations offered through SigFig's partnerships with Financial Institutions may also be supplied by third-party advisers not affiliated with SigFig. This gives rise to a conflict of interest in those instances, as the third parties are incentivized to recommend these models and the investment products in them through SigFig's or Digital Advice Program platform.

As noted in Items 4 and 5, SigFig's Partners may be, among other things, investment advisers, brokers, futures commission merchants, commodity pool operators or commodity trading advisers. Digital Advice Investors are encouraged to review the relevant Financial Institution's Brochure as such institutions might have financial industry affiliations.

## ITEM 11

# CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### A. SigFig's Code of Ethics

SigFig has adopted a Code of Ethics (the "Code"), which is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to SigFig's "Access Persons." Access Persons include, generally, any officer or director of SigFig and any employee or other supervised person of SigFig (including certain contractors) who, in relation to the Clients and Digital Advice Investors, (1) has access to non-public information regarding any purchase or sale of securities; or (2) is involved in making securities recommendations or (3) has access to such recommendations that are non-public.

The Code sets forth a standard of business conduct that takes into account SigFig's status as a fiduciary and requires Access Persons to place the interests of the Clients and Digital Advice Investors above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of SigFig's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis and any time material amendments are made.

Pursuant to Rule 204A-1 of the Advisers Act, SigFig's Code of Ethics establishes processes for impacted categories of Access Persons to submit periodic reporting on personal securities activities. SigFig restricts the personal trading of its Access Persons as reflected in the Code of Ethics.

The Code also includes insider trading policies and procedures that are designed to prevent the improper use of material, non-public information.

A copy of SigFig's Code of Ethics can be obtained by contacting the Chief Compliance Officer at [legal@sigfig.com](mailto:legal@sigfig.com).

### B. Securities Recommendations

Neither SigFig, nor any of its related persons, recommends to Clients or Digital Advice Investors, or buys or sells for their accounts, securities in which SigFig has a direct material financial interest.

SigFig's Access Persons may purchase securities for their own accounts which may, in certain instances, be the same securities as those recommended to Clients or purchased on behalf of Digital Advice Investors.

The Code of Ethics requires Access Persons to place the interests of Clients and Digital Advice Investors over their own or those of SigFig, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

## **C. Securities Transactions of SigFig and its Related Persons**

As stated above, SigFig does not buy securities for its own account so no conflict exists at the firm level.

With certain exceptions specified in the Code, Access Persons may generally invest in securities that are also owned by Clients or Digital Advice Investors, which may be a conflict of interest as such Access Persons may be inclined to transact in the securities based on their own interests and advanced knowledge of pending orders, rather than the interests of the Clients and Digital Advice Investors. Currently, only a limited number of Access Persons of SigFig have access to the information on the timing of the trades execution for Clients' and Digital Advice Investors' accounts. The Code of Ethics addresses trading by those Access Persons in the securities that are owned by Clients and Digital Advice Investors.

Additionally, certain Access Persons may become Clients or Digital Advice Investors and to the extent they are, they will receive recommendations at the same time as similarly situated Clients and Digital Advice Investors. Because SigFig's accounts to be traded or rebalanced are all evaluated at approximately the same time during the daily process, we do not believe there is a conflict of interest and Clients or Digital Advice Investors will be prejudiced.

As mentioned above, SigFig's Code of Ethics also contains policies and procedures prohibiting insider trading that are designed to prevent the misuse of material, non-public information. SigFig personnel are required to certify their compliance with the Code.



## ITEM 12

# BROKERAGE PRACTICES

SigFig generally does not determine the broker-dealer to be used nor does it determine the commission rates to be paid in Client accounts. For Clients, SigFig's platform currently works with the following broker-dealers, which the Client ultimately selects: Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC and TD Ameritrade, Inc. For Digital Advice Programs, SigFig generally is directed to use broker-dealers designated by the Financial Institution. SigFig generally monitors the broker-dealers executing trades for its Clients for overall execution for securities transactions. When assessing best execution, SigFig may consider various factors, including speed and quality of trade execution, frequency and amount of price improvement on trade, the efficient placement of orders, clearance, settlement and the overall quality of execution as well as the cost of the transaction, among other factors. Clients may pay a commission on transactions in excess of the amount of commission another broker-dealer would have charged.

As outlined herein, depending on the nature of the partnership, SigFig may not have investment authority, discretionary or otherwise, to purchase securities on behalf of Digital Advice Investors. In Digital Advice Programs, brokerage arrangements are generally decided by the Partner or Financial Institution. Trading by SigFig is systematically conducted on behalf of the Partners in accordance with their rebalancing parameters and review of accounts. In such instances, since SigFig has limited discretion in placing trades and generally does not select the broker-dealer, it may not be able to achieve best execution, which may cost Digital Advice Investors more money. In addition, Partners, and not SigFig, are responsible for the approval of rebalance and tax loss harvesting rules configured for their Digital Advice Investors' accounts. Since the Partner, and not SigFig, is generally responsible for selecting and recommending broker-dealers to execute transactions, the Digital Advice Investors may pay higher brokerage commissions or may receive less favorable prices than would be the case if other broker-dealers were selected to execute transactions. Generally, Partners, and not SigFig, are primarily responsible for reviewing such services provided by the designated broker-dealers; determining whether use of designated brokers is in the best interests of Digital Advice Investors; considering information concerning the designated broker's execution capabilities and pricing or other relevant information; for reviewing and evaluating best execution; and for determining that applicable rates, fees, commissions and other charges are appropriate and reasonable in relation to the value of broker-dealer services received by or made available.

As noted, recommendations made by SigFig and Financial Institutions in the context of Digital Advice Programs, will, in certain cases, be executed by broker-dealers affiliated with the Financial Institution. In other cases, a broker-dealer affiliated with the Financial Institution will act as an introducing broker-dealer, while another broker selected by the Financial Institution will act as a clearing broker. As such, at times the trade execution is directed to an affiliated or otherwise selected broker-dealer, Digital Advice Investors may not obtain rates as low as they might otherwise obtain if a different broker-dealer is used. Also, such arrangements may cause the affiliated broker-dealer to earn additional compensation (such as clearing and custody payments). Please review the relevant Financial Institution's Brochure for more information.

SigFig's Clients and Digital Advice Investors pursue a range of investment strategies and have different investment objectives. At times a particular investment may be deemed suitable for one Client or Digital Advice Investor, but not another, or may be deemed potentially suitable for a range of accounts. When SigFig has deemed an investment suitable for more than one account, in order to achieve efficient execution, SigFig often aggregates orders for groups of accounts in order to trade blocks of securities. Across Digital Advice Programs, where SigFig submits trades, block trades are also submitted in a fashion to avoid favorable treatment for one group of Partner accounts over another. When block trading is utilized, all participating accounts are allocated the same average price for the security. As a result, the price may be either more or less favorable than it would be if similar transactions were not being executed concurrently for other accounts. Trades that cannot be

aggregated and traded in a block are submitted in a randomized process designed to achieve equal and fair treatment across accounts. By not aggregating transaction orders and trading at different times during the day, Clients may potentially pay higher prices when buying securities, or receive lower prices when selling securities compared to the other accounts depending on the size of the trades and the liquidity of the securities.

SigFig does not currently receive research and services from broker-dealers as a part of commission rates paid to broker-dealers (e.g. soft dollars). Please review the relevant Financial Institution's Brochure for more information.

## ITEM 13

# REVIEW OF ACCOUNTS

## A. Periodic Review of Client Accounts

SigFig's Portfolio Management Team periodically reviews the accounts of Clients and certain Digital Advice Investors and utilizes SigFig's rebalancing rules and trading logic to periodically rebalance each portfolio with a goal to align with the Client's or Digital Advice Investor's risk profile and maintain the recommended asset allocation. In the context of the Digital Advice Program, the relevant Financial Institution may establish its own oversight program to monitor the Digital Advice Investors' accounts.

SigFig provides Clients and Digital Advice Investors with continuous access via the online client portals where they can access their account documents and information. On an annual basis, SigFig contacts Clients on its own behalf and Digital Advice Investors on behalf of the relevant Financial Institution to review and update the previously provided answers to the risk profile questionnaire. Clients and Digital Advice Investors may also receive periodic email communications describing portfolio activity, account information and reminders to review their personal risk profile previously provided.

Users without investment management accounts utilize SigFig's free portfolio tracking services to view and review their synced or manually inputted account data and receive guidance. SigFig has no discretion over User accounts and will only provide guidance to Users based on specific data provided by such User.

Clients and Digital Advice Investors are strongly encouraged to conduct their own analysis of, and investigation into, the methodologies employed by SigFig in making its recommendations.

## B. Reports Given to Clients

In addition to the account statements that the Clients receive from their custodians, SigFig may send periodic account summary emails to its Users and Clients, and those periodic reports may include information regarding the User's or Client's portfolio activity. The reports also may include top news stories. These summary emails are based on information from third parties which is believed to be accurate.

SigFig also sends other periodic or event inspired reports based upon market or portfolio activity. In addition, when Users or Clients log in to their SigFig account, they can view their portfolio performance, asset allocation, dividends, key statistics and portfolio ratios and geographic allocation data, among other information. Clients are encouraged to compare any reports they received directly from SigFig with the account statements they receive from their custodian.

With respect to the Digital Advice Programs, SigFig coordinates with the relevant Financial Institution to provide relevant summary emails to Digital Advice Investors. In most cases, the custodian of the Digital Advice Program accounts will provide Digital Advice Investors with periodic account statements showing their securities positions and account activity.

## ITEM 14

# CLIENT REFERRALS AND COMPENSATION

SigFig maintains a referral arrangement with Cambridge Savings Bank (“CSB”) under which CSB may refer its current or prospective banking customers to SigFig for the provision of discretionary investment advisory services as outlined in Item 4.B(1) in return for compensation paid to CSB by SigFig. CSB’s unlicensed personnel in certain CSB branches may also receive a nominal fee paid by CSB for the qualified Client referrals. Under the terms of the referral agreement between CSB and SigFig, SigFig or CSB provides to the referred Clients a standard written solicitor’s disclosure document that addresses certain issues raised by Rule 206(4)-1 under the Advisers Act. SigFig referral arrangement with CSB does not constitute a Digital Advice Program as described elsewhere in this Brochure.

To the extent SigFig does enter into any other similar arrangements, such compensation information will be disclosed to Clients and/or Digital Advice Investors, as applicable, consistent with applicable law and to the extent necessary will be conducted in accordance with Rule 206(4)-1 under the Advisers Act, as well as relevant guidance.

## ITEM 15

# CUSTODY

SigFig is deemed to have constructive custody of Client assets because SigFig maintains the username and password for some or all of its Clients. Although SigFig has procedures and controls in place to protect against unauthorized access of a Client's account, SigFig follows certain verification procedures for such accounts and is currently subject to an annual surprise custody examination pursuant to Rule 206(4)-2 of the Advisers Act.

Pursuant to the Investment Advisory Agreements with Clients, SigFig is permitted to debit advisory fees from Client accounts, and as such, may be deemed to have custody over Client assets. SigFig may also be deemed to have custody of Client assets in cases where Clients direct certain money movements between Client accounts.

Client assets and securities for which SigFig has constructive custody are maintained by a "qualified custodian." Clients will receive quarterly, or more frequent, account statements from their custodian.

With respect to the Digital Advice Programs offered through partnerships, SigFig may be deemed to have constructive custody of Digital Advice Investors' assets in the event SigFig maintains such Digital Advice Investor's username and password. SigFig generally does not have custody over the Digital Advice Program accounts. The Financial Institutions, their affiliate(s), or a third-party custodian of the Financial Institution's choosing will maintain custody of the securities and other assets comprising each account. Digital Advice Investors will receive quarterly, or more frequent, account statements directly from their respective custodian.

Clients and Digital Advice Investors should carefully review the statements sent by the qualified custodians and are urged to compare any account summary emails sent by SigFig or the relevant Financial Institution (or provided via the Website) to the account statements received from the qualified custodians.

## ITEM 16

# INVESTMENT DISCRETION

SigFig has discretion, subject to reasonable restrictions imposed by the Client and limitations in the Client's Investment Advisory Agreement, to determine the securities to be bought or sold and amount of securities to be bought or sold.

SigFig does not have any discretion or control over any external brokerage accounts synced onto its online platform by the Users or Clients.

With respect to the Digital Advice Programs, SigFig will manage the Digital Advice Investor's accounts in accordance with the investment parameters and Model Portfolios approved by the Financial Institution or will implement and manage the investment recommendations as provided to SigFig by the Financial Institution. Depending on the Digital Advice Program and partnership with the Financial Institution, SigFig may also have discretion with respect to rebalancing and trading (and other areas) for certain Digital Advice Investor accounts.

As noted above, in the context of Model Portfolios provided by Model Providers other than SigFig, a conflict of interest may exist in terms of those Model Providers providing information or updates to those models across all firms and investors that employ those models.

As noted above, Clients and Digital Advice Investors may impose reasonable restrictions, subject to review and approval by SigFig and, in the case of Digital Advice Program, the Financial Institution. Prior to assuming discretionary authority, the Financial Institution, with respect to Digital Advice Investors, or SigFig, with respect to Clients, receives a limited power of attorney from the respective investor.

## **ITEM 17**

# **VOTING CLIENT SECURITIES**

SigFig does not vote proxies on behalf of the Clients or Digital Advice Investors. SigFig does not have authority to vote on behalf of Clients or Digital Advice Investors.

## **ITEM 18**

# **FINANCIAL INFORMATION**

SigFig is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients or Digital Advice Investors and has not been subject to a bankruptcy petition at any time during the past ten (10) years.

SigFig does not require or solicit prepayment of more than \$1,200 in advisory fees per client, six months or more in advance.