

# How Betterment adds value for advisors and clients

Betterment for Advisors is a digital-first wealth management platform, designed to help advisors save time so they can spend more of it working with their clients. Betterment's mission is to help make people's lives better—clients and advisors alike—with automated portfolio management tools, a digital client experience, and more.



## BETTERMENT BY THE NUMBERS



12+ years serving investors through all market conditions



8 years of partnering with advisors



\$34 billion in assets under management



770,000+ clients across all business lines



600+ advisory firms on the Betterment for Advisors platform

## WHAT YOU GET WHEN YOUR ADVISOR USES BETTERMENT



### Innovative, automated custody

Our wealth management custodial platform helps your advisor leverage automated, tax-efficient tools to build and manage your investment portfolio.



### Insured deposits and investments<sup>1</sup>

FDIC-insured cash products and SIPC-insured investing offerings mean your money is protected.



### Safe and secure platform

Strong encryption, fraud protection, and other security features like app passwords help keep your account safe from bad actors.

<sup>1</sup>Digital assets are not subject to FDIC insurance or SIPC protections. The above material and content should not be considered to be a recommendation. Investing in digital assets is highly speculative and volatile, and only suitable for investors who are able to bear the risk of potential loss and experience sharp drawdowns. Digital assets are not legal tender and are not backed by the U.S. government.

# How we protect you

## TRANSPARENT, INNOVATIVE CUSTODY

With any brokerage you use, your money and the firm's operational funds (i.e., what the firm uses to pay its bills) should not be mixed. We want you to feel peace of mind that your money is in safe hands. That's why with Betterment Securities, Betterment's custodial platform, operational funds and customer funds are kept separate from firm funds, as required by SEC rules. Regulators also require us to file our detailed financials on a periodic basis (usually monthly), as well as report both firm capital and any customer cash that we hold. Further, Betterment Securities does not engage in proprietary trading for its own account. That is not our business.

Betterment's custodial platform helps your advisor build their own model portfolios, as well as leverage a selection of curated model portfolios built by our in-house investing experts. Your investments can benefit from automated, tax-efficient tools that can work with your advisor's custom-built portfolios and many of our in-house models.

And with Betterment, you have full visibility into the exact positions you're invested in at any time. You and your advisor can explore your portfolio's performance over any time period on both our web and mobile applications. We believe in transparency: After every trade, we disclose the precise number of shares of every ETF in which you are invested.

“Betterment's features are huge from a technology, ease, and intuition standpoint for the advisor: opening accounts, transferring money from other custodians, helping clients link a bank account... This saves us a lot of time and we can spend it with clients focusing on advice.”

Matt Lohrius, CFP®  
Ritholtz Wealth Management

*Non-paid client of Betterment. Views may not be representative, see more reviews at the [App Store](#) and [Google Play Store](#).*

## INDUSTRY-STANDARD INSURANCE

### SIPC

Betterment Securities is a member of SIPC, which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available upon request at [sipc.org](https://sipc.org).

### FDIC

Betterment Cash Reserve accounts are FDIC-insured.† Once funds are deposited into our program banks, individual Cash Reserve accounts are insured up to \$2,000,000 and joint Cash Reserve accounts are insured up to \$4,000,000.

Betterment Checking also offers FDIC insurance. Funds in Checking are insured up to \$250,000, and up to \$250,000 per depositor for joint accounts. Checking is provided by nbkc bank, Member FDIC, and is made available through Betterment Financial LLC. Explore further details about FDIC Insurance at [betterment.com/resources/fdic-insurance](https://betterment.com/resources/fdic-insurance).

## RIGOROUS ACCOUNT SECURITY



### Data Security

We use strong browser encryption, store all of our data on servers in a secure facility, and implement systematic processes and procedures to protect it.



### Fraud Protection

We are committed to protecting your accounts from fraud. If you or your advisor see any unauthorized activity in your account, we ask you to report it immediately. Then, we'll work to recover any loss that results from the unauthorized use of your Betterment accounts.



### Privacy

We protect the privacy of your information and do not share your data with any third party without your permission. For more information, please review our privacy policy.



### Advance Login Protection

Two-factor authentication provides a second layer of security beyond your passwords in order to access your Betterment account. App passwords allow you to use third-party personal finance applications, while minimizing the risk of potentially unwarranted access to your Betterment accounts.

To learn more about our security procedures, go to [betterment.com/security/security-procedures](https://betterment.com/security/security-procedures).

# Have more questions about how Betterment can add value for you and your advisor?

**Contact your advisor team to learn more.**

Checking accounts and the Betterment Visa Debit Card provided by and issued by nbkc bank, Member FDIC. Funds deposited into Checking are FDIC-insured up to \$250k for individual accounts and up to \$250k per depositor for joint accounts. Betterment Checking made available through Betterment Financial LLC. Neither Betterment Financial LLC, nor any of their affiliates, is a bank. Betterment Financial LLC reimburses ATM fees and the Visa® 1% foreign transaction fee worldwide, everywhere Visa is accepted.

Any balances you hold with nbkc bank, including but not limited to those balances held in Betterment Checking accounts are added together and are insured up to \$250,000 per depositor through nbkc bank, Member FDIC. If you have funds jointly owned, these funds would be separately insured for up to \$250,000 for each joint account owner. nbkc bank utilizes a deposit network service, which means that at any given time, all, none, or a portion of the funds in your Betterment Checking accounts may be placed into and held beneficially in your name at other depository institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). For a complete list of other depository institutions where funds may be placed, please visit <https://www.cambr.com/bank-list>. Balances moved to network banks are eligible for FDIC insurance once the funds arrive at a network bank. To learn more about pass-through deposit insurance applicable to your account, please see the Account Documentation. Additional information on FDIC insurance can be found at <https://www.fdic.gov/resources/deposit-insurance/>.

†Betterment Cash Reserve ("Cash Reserve") is offered by Betterment LLC. Clients of Betterment LLC participate in Cash Reserve through their brokerage account held at Betterment Securities. Neither Betterment LLC nor any of its affiliates is a bank. Through Cash Reserve, clients' funds are deposited into one or more banks ("Program Banks") where the funds earn a variable interest rate and are eligible for FDIC insurance. Cash Reserve provides Betterment clients with the opportunity to earn interest on cash intended to purchase securities through Betterment LLC and Betterment Securities. Cash Reserve should not be viewed as a long-term investment option.

Funds held in your brokerage accounts are not FDIC-insured but are protected by SIPC. Funds in transit to or from Program Banks are generally not FDIC-insured but are protected by SIPC, except when those funds are held in a sweep account following a deposit or prior to a withdrawal, at which time funds are eligible for FDIC insurance but are not protected by SIPC. See [Betterment Client Agreements](#) for further details. Funds deposited into Cash Reserve are eligible for up to \$2,000,000 (or \$4,000,000 for joint accounts) of FDIC insurance once the funds reach one or more Program Banks (up to \$250,000 for each insurable capacity—e.g., individual or joint—at up to eight Program Banks). Even if there are more than eight Program Banks, clients will not necessarily have deposits allocated in a manner that will provide FDIC insurance above \$2,000,000 (or \$4,000,000 for joint accounts). The FDIC calculates the insurance limits based on all accounts held in the same insurable capacity at a bank, not just cash in Cash Reserve. If clients elect to exclude one or more Program Banks from receiving deposits the amount of FDIC insurance available through Cash Reserve may be lower. Clients are responsible for monitoring their total assets at each Program Bank, including existing deposits held at Program Banks outside of Cash Reserve, to ensure FDIC insurance limits are not exceeded, which could result in some funds being uninsured. For more information on FDIC insurance please visit [www.FDIC.gov](http://www.FDIC.gov). Deposits held in Program Banks are not protected by SIPC. For more information see the full [terms and conditions](#) and [Betterment LLC's Form ADV Part 2](#).

Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the CFP® certification mark, the CERTIFIED FINANCIAL PLANNER™ certification mark, and the CFP® certification mark (with plaque design) logo in the United States, which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.



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