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The Robo Report

Bringing Transparency to Robo Investing

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Welcome to The Robo Report

Condor Capital Wealth Management is proud to publish the 27th edition of the Robo Report®, covering the first quarter of 2023. This Report is a continuation of an ongoing study that monitors well-known robo advisors. We strive to provide a reliable resource for both investors and professionals interested in the digital advice industry.

Highlights

→ Future Advisor sells its direct-to-consumer business to Ritholtz Wealth Management.

→ Betterment reaches settlement with SEC, in part related to tax-loss harvesting software.

→ Fidelity Go took the top spot 1-year performance thanks to, in part, a notable mega-cap and large-cap bias.

→ Schwab portfolios held modest exposures to TIPs and high-yield corporates, which significantly outperformed their traditional investment-grade counterparts.

→ Wealthfront (2016 Vintage), Zacks, and Fidelity Go accounts were the top three performers versus their Normalized Benchmark for the 5-year period.

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All supporting data can be found online at theroboreport.com/data

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Executive Summary

This edition of the Robo Report, published by Condor Capital Wealth Management, tracks 42 accounts at 27 different providers. The Robo Report continues to evolve, and this quarter, we bring you our usual data, which can be found online at theroboreport.com/data, as well as performance commentary for the quarter.

Important Notes for This Report

We recently changed our technology provider for the portfolio management system used to track these accounts. This report reflects some important changes to the data we publish. These changes will be reflected in this and future reports. The most important of these changes are related to equity-only and fixed income-only returns. In previous reports, equity and fixed income returns were published on a net of fees basis, with the management fee proportionally allocated to the equity and fixed income allocations within the portfolios. Equity and fixed income returns will be published as gross of fees in this report and going forward. Importantly, total returns are still published as net of fees.

Additionally, in previous reports, we excluded commodities and funds like Wealthfront's Risk Parity fund, which does not fall cleanly into a fixed income or equity category, from the equity-only and fixed income-only returns. Going forward, commodities will be included in the equity return calculation.

For the one account holding the Wealthfront Risk Parity fund, we will only publish total returns and exclude the fixed income and equity returns from the report. Please note that only the Wealthfront Passive Plus account holds this risk parity fund.

Additionally, we have removed some accounts from the report this quarter. Morgan Stanley Access Investing is being combined with E-Trade's Core Portfolios product. Access Investing offered a variety of themed portfolios. It is unclear whether these options will become available at E-Trade Core portfolios. Given they are not currently available to new investors, we have removed them from the report at this time. We have also stopped tracking Principle SimpleInvest, Liftoff, and Titan Invest as we try to maintain focus on the most relevant and important products in the space.

Industry Update

A few notable events occurred in the industry since our last report. Chiefly, FutureAdvisor, which was acquired by Blackrock in 2015, announced its direct-to-consumer business is being sold to Ritholtz Wealth Management. Under the control of BlackRock, the direct-to-consumer product had long languished, and we witnessed very few product enhancements over the years. This followed the abrupt shutdown of Blooom late last year. Blooom stood out from other robos for their ability to manage 401(k) plans at any custodian, allowing individuals to have Blooom manage their 401(k) regardless of where it was held. Morgan Stanley acquired software from Blooom and hired senior management from the company.

Betterment also just recently reached a settlement with the SEC, in part related to some issues with its tax loss harvesting software. The issue only affected a small number of their total client base. While this is clearly not good news for Betterment, we also acknowledge that when start-ups push the envelope of innovation, coding mistakes can occur.

Thank you for being a subscriber to the Robo Report; we look forward to bringing our Summer Edition of the Robo Ranking to our readers as part of our second quarter report this summer.

Top Performers

1-Year Trailing Top Performers

	Best	2nd	3rd
Total Portfolio	Fidelity Go	Wealthfront (Risk 4.0 ; 2016)	Ellevest
Equity	Betterment Broad Impact SRI	Wealthfront (Risk 4.0 ; 2016)	Ally Invest Robo Portfolios
Fixed Income	Zacks Advantage	E*Trade Core SRI	Fidelity Go

3-Year Trailing Top Performers

	Best	2nd	3rd
Total Portfolio	Wealthfront (Risk 4.0 ; 2016)	Schwab Domestic Focus	Zacks Advantage
Equity	Wealthfront (Risk 4.0 ; 2016)	Schwab Domestic Focus	Zacks Advantage
Fixed Income	Schwab	Schwab Domestic Focus	Fidelity Go

5-Year Trailing Top Performers

	Best	2nd	3rd
Total Portfolio	Wealthfront (Risk 4.0 ; 2016)	Zacks Advantage	Fidelity Go
Equity	Zacks Advantage	Acorns	Wealthfront (Risk 4.0 ; 2016)
Fixed Income	Wealthfront (Risk 4.0 ; 2016)	Zacks Advantage	Vanguard P.A.S.

Performance Commentary

- Schwab portfolios held modest exposures to TIPs and high-yield corporates, which significantly outperformed their traditional investment-grade counterparts.
- Fidelity Go and Wealthfront shine over the trailing 1-year period.
- Wealthfront (2016 Vintage), Zacks, and Fidelity Go accounts were the top three performers versus their Normalized Benchmark for the 5-year period.
- Zacks continues to be notably more active from a fixed-income perspective.

Backdrop

The year 2022 will go down as a historic year for investors. Marked by the fastest increase in interest rates ever by the Federal Reserve, nearly all asset classes performed poorly. Stocks and bonds fell, posting one of the worst years for the well-known 60% stocks / 40% bond portfolio, as both asset classes were in negative double-digit territory for the year. For reference, the S&P 500 was down 18.1%, while the Bloomberg Aggregate Bond index was down 13.0%. Energy stocks were one of the only safe-haven asset classes as oil ticked higher and cash flow became a key attribute for stock leadership. Overseas investors did not do much better as developed markets and emerging markets had significantly negative returns.

As 2023 unfolds, we are met with headlines of regional banking crises led by Silicon Valley Bank, furthered by Silvergate and Signature, and most recently, First Republic Bank. The failures of regional banks were spurred by cash sorting: the process of savers moving their money out of low-yielding bank accounts and into higher-yielding alternatives, such as money market funds. The current high-interest rate environment has given savers reason to look for higher-yielding alternatives to standard low-interest earning checking accounts. The flow of money away from bank deposits causes strain on banks with inadequate liquidity buffers, forcing them to sell assets or seek more expensive funding, or in some cases, be forced into receivership by regulators. Fearing more turmoil for regional banks, investors hid in long-term treasury bonds, gold, and large-cap growth stocks for safety. Meanwhile, much of the darlings of 2022, including energy stocks, are down or flat on the year. Fortunately, the problems seen in some areas of the market were overshadowed by surging prices of growth stocks.

Overseas, China's reopening and a softening dollar have supported international equities while the world navigates the Russia-Ukraine war. Emerging market countries were early in their responses to increasing interest rates to tame inflation. This differs from developed economies which were caught flat-footed with rates. In the U.S., for example, rates remained at near-zero levels even as inflation was climbing. Additionally, much of the emerging world does not suffer from the same level of indebtedness as the U.S. and developed economies. However, any leadership in international markets would come as a regime change for U.S. investors, who have been heavily rewarded for their home-country bias for nearly a decade. It has yet to be seen how markets will unfold.

Fidelity Go and Wealthfront Shine Over the Trailing 1-Year Period

For this edition of the Report, the 1-year trailing period ending March 31, 2023, includes the pain of 2022 and the mixed recovery in the first quarter of 2023. Fidelity Go, Wealthfront (2016 vintage), and Ellevest were the top winners of best total portfolio performance versus its Normalized Benchmark, a methodology that juxtaposes each robo advisor's returns against that of a comparable asset allocation. Although typically, the winners in each category have many similarities, there was a variety of different drivers, which ultimately put these accounts in the top positions.

When looking at the equity portfolios, Fidelity Go took the top spot thanks to, in part, a notable mega-cap and large-cap bias. For example, the Fidelity Go robo advisor had an average equity market cap of roughly $84bn compared to the average of our study group of about $64bn. This was important as the Russell 2000 Index, a U.S. small-cap index, returned −11.63% for the 1-year trailing period, whereas the S&P 500 returned −7.75% for the period. On the other hand, Wealthfront's equity allocation was bolstered by a dedicated energy stock exposure (VDE) and by SCHD, the Schwab Dividend ETF, which returned 11.42% and −3.80%, respectively, outperforming the S&P 500. Ellevest equity performance, on the other hand, was supported by a modest allocation to domestic stocks. At a time when the MSCI EAFE outperformed the S&P 500 by about 7%, Ellevest's 39% allocation of its equity portfolio to non-U.S. stocks supported performance compared to the 34% allocation of our robo study group.

On the fixed income side, the last year was a period of an exceptional rate increase as the Federal Reserve raised its target rate range from 0.25% – 0.50% to 4.75% – 5.00%, punishing those with long durations. Fidelity Go held a bond duration of about 5.8 years, a figure that was in line with our group of robo advisors. Ellevest, however, was exceptionally well positioned with an entire year of duration below the study group, at about 4.8 years of effective duration. Although Zacks Advantage did not place as a top overall robo advisor for the period, its fixed income return was especially impressive. Whereas the average robo fixed income return was −2.23%, Zacks Advantage fixed income return was 1.26%. Zacks is one of the most active robo advisors we track and was impressive in this regard, as it held a duration of just 4.0. We commend the low-duration profiles of Ellevest and Zacks at a time when investors needed protection the most.

Robo Advisor	Effective Duration Estimate	1-Year Fixed Income Return
Zacks	4.0	1.26%
Ellevest	4.8	−0.57%
Average Robo	5.8	−2.23%

Source: Morningstar

Over 3 Years, Wealthfront and Schwab Domestic Focus Demonstrate Top Performance

The story for our Wealthfront portfolio is quite clear: the robo advisor's bold allocation to energy stocks was a boon to investors. To demonstrate how notable this outperformance was, for the 3-year period ending March 31, 2023, whereas the S&P 500 returned 18.58% per annum, the Vanguard Energy ETF (VDE) returned 50.40% per annum for the period. As our Wealthfront 2016 vintage had a modest allocation to this ETF, its relative returns were outstanding. Adding to this outperformance was Wealthfront's SCHD allocation, returning 21.65%, per annum, for the 3-year period.

Select Wealthfront ETFs/Indices	3-Year Trailing Annualized Return as of 3/31/23
Vanguard Energy ETF	50.40%
Schwab U.S. Dividend Equity ETF	21.65%
S&P 500 Index	18.58%

Meanwhile, Schwab's Domestic Focus portfolio benefitted from a few different choices, namely its fundamental-weighted ETFs. These are non-market-cap weighted funds that are instead weighted by a set of fundamental attributes like sales, dividends & buybacks, and retained operating cash flow. These have performed well: the Schwab Fundamental U.S. Large Company Index ETF had an annual return of 23.18%, outperforming the S&P 500 by over 4.5%; the Fundamental U.S. Small Company Index ETF outperformed the Russell 2000 by over 7.71% per annum, though the international large-cap version outperformed the MSCI EAFE by over 3% per annum. Finally, the Schwab Domestic Focus portfolio was particularly attractive as U.S. stocks outperformed international developed stocks by nearly 5% per annum for the three-year period.

On the bond side of the portfolio, Schwab and Schwab's Domestic Focus took the top two spots for fixed income performance. As has been well documented, Schwab tends to hold higher levels of cash which can be detrimental to long-term performance. However, at a time when the Bloomberg

Aggregate bond index was modestly negative −2.77% per annum, having cash-like instruments supported relative performance. Furthermore, our Schwab portfolios held modest exposures to TIPs and high-yield corporates, which significantly outperformed their traditional investment-grade counterparts. For example, our account held SCHP, the Schwab U.S. TIPs ETF, which returned 1.72% per annum. Municipal bonds were a large contributor for both Schwab portfolios, helping performance modestly surpass their taxable-aggregate counterparts.

Select Schwab ETFs/Indices	3-Year Trailing Annualized Return as of 3/31/23
Schwab Fundamental U.S. Large Co ETF	23.18%
S&P 500 Index	18.58%
Schwab Fundamental U.S. Small Co ETF	25.19%
Russell 2000 Index	17.48%
Schwab Fundamental International Large Co ETF	17.59%
MSCI EAFE Net Total Return USD Index	13.66%

Congratulations to Wealthfront, Zacks, and Fidelity Go on a Stellar 5-Year Track Record

At the Robo Report, we have accumulated 5-year track records for many top robo advisors. Our Wealthfront (2016 Vintage), Zacks, and Fidelity Go accounts were the top three performers versus their Normalized Benchmark for the 5-year period ending March 31, 2023. We share our congratulations with these robo advisor providers while looking under the hood to see if trends in these accounts' success could be repeatable.

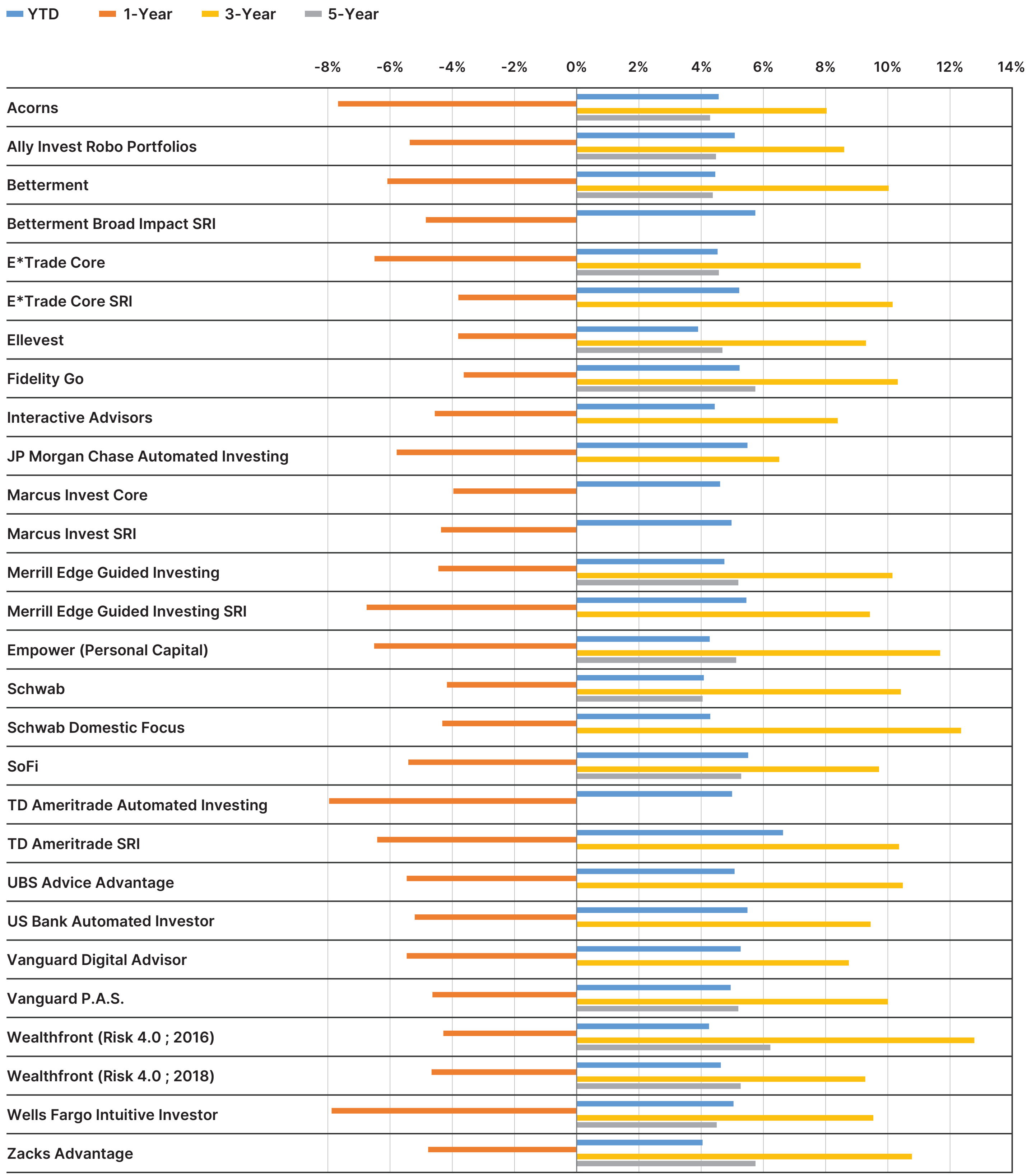
Our winning portfolio, Wealthfront (2016 vintage), has had its relative performance substantially boosted thanks to the energy allocation, as mentioned in the previous sections. Additionally, when reviewing the equity portfolios, Wealthfront and Zacks demonstrated a notable domestic bias. Zacks, for example, has roughly 85% of its equity portfolio in U.S. stocks, while Wealthfront holds 72% of stocks domestically. This difference was important for performance over the prior five-year period as the S&P 500 returned an annualized 11.15% compared to a 4.16% annualized return for the MSCI EAFE. Fidelity Go's exposure to domestic equities is in line with the average robo, but the portfolio benefited from having one of the largest allocations to large-cap stocks. Both small-cap and mid-cap underperformed during the period.

When looking at the fixed-income portfolios of the winning robo accounts, each of the three winning portfolios (Wealthfront, Zacks, Fidelity Go) were almost entirely allocated to municipal bonds. Our Zacks, Fidelity, and Wealthfront robo advisor accounts are allocated to 97%, 93%, and 80% municipals, respectively, for reference. Investors should note, however, that Zacks continues to be notably more active from a fixed-income perspective as the robo has demonstrated an adept ability to shift its bond model across its sector allocation and duration.

Robo Advisor	Average Fund Fees
Zacks	0.09%
Fidelity Go	0.00%
Wealthfront	0.09%
Average Robo	0.17%

Finally, these three winning portfolios also boast low fund fees (as seen in the table below) and, in some cases, low advisor fees. Wealthfront charges just 0.25%, while Fidelity Go charges 0.35% for assets over $25,000 and no fee for those below $25,000. Both of these represent not just particularly low fund fees but low advisory fees as well. As has been well-researched, fees can play a pivotal role in long-term investment outcomes. We commend our winning 5-year robo advisors for their low fund fees and for Fidelity Go and Wealthfront, low advisory fees too.

Total Portfolio Performance



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Disclosures

[1] These accounts were funded with more than the minimum amount required to establish an account. Had the accounts been funded with more assets, they would be charged a flat dollar fee up to $1,000,000. Because the fee is a flat dollar amount, a higher account balance would have the result of increasing reflected performance, while a lower account balance would have the result of decreasing reflected performance. In December of 2018, a $1 fee was not recorded. Performance has been updated to include this fee as of Q1 2019.

[2] This account has no minimum required to establish an account, but had the account been funded with more assets, it would, at certain asset levels, be eligible for a lower advisory fee. The lower advisory fee would have the result of increasing reflected performance.

[3] These accounts were funded with more than the minimum amount required to establish an account. There is no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level.

[4] This account was funded with the minimum or more than the minimum amount required to establish an account at the time of opening. Had the account been funded with more assets it would, at certain asset levels, be eligible for a lower advisory fee. The lower advisory fee would have the result of increasing reflected performance.

[5] This account was funded with more than the minimum in order to take advantage of tax-loss harvesting. Tax-loss harvesting may result in better or worse performance compared to similarly positioned accounts that are not enrolled in tax-loss harvesting. This account is enrolled in their digital-only "Intelligent Portfolios", thus it is not charged an advisory fee. If one were to upgrade to "Intelligent Advisory" which introduces access to live advisors, a subscription fee would be levied, which would decrease reflected performance.

[6] These accounts were funded with the minimum amount required to establish an account. At balances less than $10,000, there is no advisory fee. Had the account been funded with $10,000 or more, an asset-based advisory fee would be levied, which would decrease reflected performance.

[7] These accounts were funded with the minimum amount required to establish an account at the time of opening. There is no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level.

[8] These accounts have no minimum required to establish an account. Prior to the Axos and Wisebanyan acquisition and integration, this account was not charged a management fee. Had additional service packages, such as tax-loss harvesting, been added, the lesser of an asset-based fee or flat dollar fee would have been assessed. These fees would have decreased the reflected performance. Currently, this account is charged a 0.24% management fee. In August of 2021, there was a reporting issue with this provider. The issue has been resolved but the resolution effectively caused a rebalance of the account on 09/30/2021.

[9] This account was funded with the minimum investment amount at the time. At the time of opening, the account had a 0.25% management fee. Due to changes in the service at the end of the 1st quarter of 2017, new accounts are charged a 0.30% management fee. The fee on our account was grandfathered in and remains at 0.25%. The higher advisory fee would have the result of decreasing reflected performance.

[10] These accounts were funded with the minimum amount required to establish an account. This account is enrolled in their digital-only "Essential Portfolios" and is charged an asset-based advisory fee. If one were to upgrade to "Selective Portfolios" which introduces access to live advisors, a higher asset-based advisory fee schedule would apply, which would decrease reflected performance. "Essential Portfolios" does not appear to be available to new clients, likely due to the pending Schwab and TD Ameritrade integration. These accounts are grandfathered into the "Essential Portfolios" program and are charged a 0.30% annual asset-based management fee.

[11] This account has no minimum required to establish an account, but had the account been funded with more assets, it would, at certain asset levels, be eligible for a lower advisory fee. The lower advisory fee would have the result of increasing reflected performance. A special request was made for an allocation of 60% equities and 40% fixed income or close to it, but this allocation was not one of the standard models at the time of account opening. At the time of account opening the closest standard models offered were in the range of 50/50 or 75/25 equity to fixed income split.

[12] These accounts were funded with more than the minimum amount required to establish an account. Due to the asset-based advisory fee, performance is not affected by the accounts' asset levels. In previous reports, we reported the performance of two accounts that were combined to achieve a 60/40 allocation. Due to our introduction of Normalized Benchmarking we are no longer reporting the combined account, but just the account with the closest to a 60/40 allocation as we could achieve at this provider.

[13] These accounts were funded with less than the minimum investment through an agreement between The Robo Report and the provider. There is no advisory fee levied regardless of the amount of assets invested.

[14] This account was funded with the minimum amount required to establish an account. A flat, asset-based advisory fee is levied on the account. Had we subscribed to additional, specific, provider products the account would be eligible for a lower asset-based advisory fee. A lower advisory fee would have the result of increasing reflected performance.

[15] This account has no minimum required to establish an account and is enrolled in the Digital Only plan. If the account was enrolled in the premium service with access to live advisors, there would be a higher asset-based advisory fee. The higher advisory fee would have the result of decreasing reflected performance.

[16] This account is enrolled in the Self Service plan. If the account was enrolled in the Full Service Plan, the fee would be higher or lower depending on the level of assets in the account. The higher/lower advisory fee would have the result of decreasing/increasing reflected performance. Recently, this provider changed its fee schedule, but our account was grandfathered in at the previous, lower fee for the size of the account. New accounts would be subject to the new fee schedule, which would decrease reflected performance at most account size levels.

[17] This account was funded with more than the minimum amount required to establish an account. This account will not be charged an advisory fee through 2019. In previous reports, we reported the performance of two accounts that were combined to achieve a 60/40 allocation. Due to our introduction of Normalized Benchmarking we are no longer reporting the combined account, but only the account with the closest to a 60/40 allocation as we could achieve at this provider.

[18] This account was funded with more than the minimum amount required to establish an account. This account will not be charged an advisory fee through 2019.

[20] This account was funded with the minimum required to establish an account. This account is enrolled in their digital-only "Intelligent Portfolios", thus it is not charged an advisory fee. If one were to upgrade to "Intelligent Advisory" which introduces access to live advisors, a subscription fee would be levied, which would decrease reflected performance.

[21] These accounts were funded with more than the minimum amount required to establish an account. There is no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level. The fee was waived for the first year. Had a fee been levied, reflected performance would have been lower.

[22] These accounts were funded with more than the minimum amount required to establish an account. There is currently no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level. Previously, the fee was only assessed on balances in excess of $10,000.

[23] These accounts were funded with the minimum amount required to establish an account. There is no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level. The fee was waived for an initial promotional period. Had a fee been levied, reflected performance would have been lower.

[24] Interactive Advisors is registered as an advisor under the name of Covestor Ltd. and is part of the Interactive Brokers Group. This account was funded with the minimum required to open an account and is invested in their Asset Allocation portfolio. It is charged an asset-based fee. There is no fee schedule on this account; therefore performance is not affected by the account's asset levels. Previously, the account was charged a lower asset-based fee; the increase took effect starting March 2019. Interactive Advisors offers multiple strategies with different sets of fees, including Smart Beta, index-tracking and model ETF portfolios, in addition to the Asset Allocation portfolios. Interactive Advisors also offers a marketplace for actively managed portfolios for which it charges higher fees (0.08-1.5%), part of which it remits to the portfolio managers supplying the data underlying those strategies.

[25] Originally, there was no advisory fee on these accounts. Had additional service packages, such as tax-loss harvesting, been added, the lesser of an asset-based fee or flat dollar fee would have been assessed. In June 2018, one package was activated, resulting in a fee on these accounts. This fee decreases the reflected performance.

[26] This account was enrolled in Prudential's Strategic Portfolios. It was funded with the minimum required to open an account. Had the account been funded with more assets it would, at certain asset levels, be eligible for a lower advisory fee. The lower advisory fee would have the result of increasing reflected performance. Prudential also offers Reserve Portfolios for short-term investing, which have a lower account minimum and fee. However, the Reserve Portfolios do not allow asset-allocation customization based on individual demographic and risk tolerance.

[27] This account has no minimum required to establish an account and is enrolled in the Digital Only plan. If more was invested, the account would be assessed a lower asset-based fee, which would increase reflected performance. If the account was enrolled in the premium service with access to live advisors, there would be a higher asset-based advisory fee. The higher advisory fee would have the result of decreasing reflected performance. All balances above $2 million are charged a lower asset-based advisory fee. A lower advisory fee would have the result of increasing reflected performance. The 2018 end-of-year statement for Betterment did not include dividends received near the end of 2018, these dividends first appeared on the March 31st, 2019 statement. These dividends are reflected as of the Q1 2019 Robo Report but were not reflected in performance reported in the Q4 2018 Robo Report. In Q2 2020 a dividend was misattributed to the cash asset class instead of income causing the equity performance of the main Betterment account to be slightly underrepresented.

[28] These accounts were funded with the minimum amount required to establish an account. There is no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level. The fee was waived for an initial promotional period. Had a fee been levied, reflected performance would have been lower. As of March 27, 2019, the management fee has been lowered. The lower advisory fee will increase reflected performance.

[29] This account was funded with the minimum or more than the minimum amount required to establish an account at the time of opening. Had the account been funded with more assets it would, at certain asset levels, be eligible for a lower advisory fee. The lower advisory fee would have the result of increasing reflected performance. After opening, this provider changed its fee schedule, raising the fee for the asset level of the account, but our account was grandfathered in at the previous, lower fee. New accounts would be subject to the new fee schedule, which may change reflected performance.

[30] These accounts were funded with more than the minimum amount required to establish an account. The account is charged a flat dollar fee subscription at its service level. Had the accounts been enrolled in different service packages, they could be assessed a higher subscription fee. Because the fee is a flat dollar amount, a higher account balance would have the result of increasing reflected performance, while a lower account balance would have the result of decreasing reflected performance.

[31] These accounts were funded with the minimum amount required to establish an account at the time of opening. This account is enrolled in their digital-only “Guided Investing” and is charged an asset-based advisory fee. If one were to upgrade to “Guided Investing with an Advisor” which introduces access to live advisors, a higher asset-based advisory fee schedule would apply, which would decrease reflected performance.

[32] This account has no minimum required to establish an account and is enrolled in the Digital Only plan. If the account was enrolled in the premium service with access to live advisors, there would be a higher asset-based advisory fee. The higher advisory fee would have the result of decreasing reflected performance. All balances above $2 million are charged a lower asset-based advisory fee. A lower advisory fee would have the result of increasing reflected performance.

[33] This account has no minimum required to establish an account and is enrolled in the Digital Only plan. If the account was enrolled in the premium service with access to live advisors, there would be a higher asset-based advisory fee. The higher advisory fee would have the result of decreasing reflected performance. Prior to August 2020, this account was assessed a 0.35% annual management fee As of August 2020, the provider changed the fee structure such that accounts under $10,000 are not charged a management fee. Our account is under this threshold and will therefore not be charged a management fee starting in August of 2020. This will have the result of increasing reflected performance.

[34] This account was funded with more than the minimum required to establish an account, There is no management fee levied. Therefore, performance is not affected by the account’s asset level. This platform has numerous different portfolio strategies. We chose the “moderately aggressive” strategy. Different portfolio strategies have different allocations which could increase or decrease reflected performance.

[35] These accounts were funded with the minimum amount required to establish an account. This account is enrolled in their “Selective Portfolios” and is charged an asset-based advisory fee. These specific portfolios are only offered at the “Selective Portfolios” level, which charges a higher asset-based advisory fee due to access to live advisors than the “Essential Portfolios.” Additionally, these portfolios may hold balanced funds. Due to the nature of these funds and limits in our portfolio management system, we cannot accurately track equity and fixed income performance individually at the portfolio level for portfolios with balanced fund holdings. Total portfolio performance is unaffected by holding balanced funds.

[36] These accounts were funded with more than the minimum amount required to establish an account. There is no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account’s asset level. This platform has numerous different portfolio strategies. We chose the “60/40 classic” option. Different portfolio strategies have different allocations which could increase or decrease reflected performance.

[37] These accounts were funded with the minimum amount required to establish an account. This account is enrolled in their “Selective Portfolios” and is charged an asset-based advisory fee. These specific portfolios are only offered at the “Selective Portfolios” level, which charges a higher asset-based advisory fee due to access to live advisors than the “Essential Portfolios.”

[38] These accounts were opened when the provider charged 0.25% annual management fee. Recently, the fee structure changed to be a flat monthly fee. However, our account was grandfathered into the old fee structure. This change may have the result of increasing/decreasing reflected performance based on account size.

[39] This account charges a 0.15% annual management fee and caps the underlying fund fees at 0.05% so that the all-in fee never exceeds 0.20% annually. The same fee is charged at all asset levels.

[40] This account charges 0.55% annually. However, those with a Citi Gold or Priority account (required balances of $50,000 and $200,000 respectively) will not be charged a management fee, which would increase reflected performance.

[41] This account is enrolled in the “Standard” pricing plan for $120 a year which is paid by an outside bank account. This account was opened with a $5,000 initial deposit. We assess the fee on the account as though it was opened with a $50,000 initial deposit. We assess a $1 monthly, $12 a year, management fee on this account. A flat dollar fee pricing structure means the level of assets in the account will affect net-of-fee performance.

[42] These accounts were funded with more than the minimum amount required to establish an account. The account is charged a flat dollar fee subscription. Because the fee is a flat dollar amount, a higher account balance would have the result of increasing reflected performance, while a lower account balance would have the result of decreasing reflected performance.

[43] This account was funded with the minimum or more than the minimum amount required to establish an account at the time of opening. Had the account been funded with more assets it would, at certain asset levels, be eligible for a lower advisory fee. The lower advisory fee would have the result of in-

creasing reflected performance. On June 19th, 2017, Vanguard removed the Robo Report's primary Vanguard account from the Vanguard Personal Advisor Services program. As of June 20th, 2017, the primary account was replaced by a secondary account with the same risk profile as the primary account. The returns for the secondary account have been linked to the original primary account. Asset type and allocation between the two accounts at the time of the switch were very close but not identical.

[44] These accounts were funded with more than the minimum amount required to establish an account. There is currently no fee schedule; all accounts are charged the same asset-based fee. Therefore, performance is not affected by the account's asset level. Previously, the fee was only assessed on balances in excess of $10,000. In the 1st Quarter of 2018 Wealthfront liquidated the positions in the account used for the 4th Quarter 2017 and previous editions of this report. A different account was used for this report and is labeled "Wealthfront (Risk 4.0)". The performance numbers from the previous account are available in the addendum labeled as "Wealthfront (Risk 3.0)". The risk scores and thus allocations of the two accounts are different and labeled as such. Asset type and allocation between the two accounts at the time of the switch were close but not identical. The difference in equity allocation between the accounts on 12/31/2017 was approximately 5.4%.

[45] These accounts were funded with the minimum amount required to establish an account. This account is enrolled in their digital-only "Essential Portfolios" and is charged an asset-based advisory fee. If one were to upgrade to "Selective Portfolios" which introduces access to live advisors, a higher asset-based advisory fee schedule would apply, which would decrease reflected performance. Due to the down market in December 2018, this account engaged in repeated tax-loss harvesting on one of its asset types. All alternative securities were exhausted for this asset type, so to prevent a wash sale, the entire position, representing approximately 31% of the portfolio, was liquidated and held as cash for a 1 month period, during which time the market experienced a large upswing. Because this portfolio missed the market upswing, its performance versus the normalized benchmark is lower.

In previous reports, the initial target asset allocation was calculated as the asset allocation at the end of the first month after the account was opened. In the Q3 2018 report, we adjusted our method to calculate the initial target asset allocation as of the end of the trading day after all initial trades were placed in the accounts. This adjustment has caused some portfolio's initial target allocation to be updated from previous reports. These updates did not change any initial target allocations of equity, fixed income, cash, or other by more than 1%.

Prior to Q3 2018, due to technological limitations of our portfolio management system, some accounts which contained fractional shares had misstated the quantity of shares when transactions quantities were smaller than 1/1000th of a share in a position as a result of purchases, sales, or dividend reinvestments. This had a marginal effect on the historical performance of the accounts. The rounding of position quantities caused by this limitation has been resolved, and quantities have been adjusted to reflect the full position to the 1/1,000,000th of a share as of the end of Q3 2018. Therefore, this rounding of fractional shares will not be necessary in the future.

At certain custodians, a combination of the custodian providing us a limited number of digits on fractional share and fractional cent transactions rounding errors are introduced into our tracking. At quarter-end starting 3/31/2020, we implemented a process to enter small transactions to eliminate any rounding errors that have built up to more than a full cent. These transactions are small and do not have an appreciable effect on performance. Sharpe ratios and Standard Deviation calculations are calculated with the assumption of 252 trading days in a year.

This report represents Condor Capital Wealth Management's research, analysis and opinion only; the period tested was short in duration and may not provide a meaningful analysis; and, there can be no assurance that the performance trend demonstrated by Robos vs indices during the short period will continue. A copy of Condor's Disclosure Brochure is available at www.condorcapital.com. Condor Capital holds a position in Schwab, JP Morgan Chase, and Goldman Sachs in one of the strategies used in many of their discretionary accounts. As of 3/31/2023, the total size of the position was 62,756 shares of Schwab common stock, 17,660 shares of JP Morgan Chase common stock, and 5,629 shares of Goldman Sachs common stock. As of 3/31/2023, accounts discretionarily managed by Condor Capital Management held bonds issued by the following companies: Morgan Stanley, Bank of America, Goldman Sachs, Wells Fargo, E*Trade, Citi Group, JP Morgan Chase, Citizens Financial Group, Ally Financial, Charles Schwab, and Capital One.

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