BRINGING TRANSPARENCY TO ROBO INVESTING

EDITION 25

The Robo Report®
Third Quarter 2022

We are proud to publish the 25th edition of the *Robo Report*®, covering the third quarter of 2022. 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:

- *Wealthfront's portfolio was the winning account for the first three quarters of 2022. (pg. 6)*
- *Schwab's Domestic Focus portfolio's allocation to value stocks and its underweight to growth stocks was the primary driver of compelling relative returns. (pg. 6)*
- *Zacks Advantage has emerged as a top choice for the last five years as it won best robo advisor for total portfolio returns, equity-only returns, and fixed-income-only returns. (pg. 6)*
- *Unlike the equity story, on the fixed-income side, it was those robo advisors who diversified away from the traditional benchmark which performed the best. (pg. 7)*

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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 58 accounts at 33 different providers. The *Robo Report* continues to evolve, and this quarter, we bring you our usual data, which can be found online at www.theroboreport.com/data/, as well as performance commentary for the quarter. Next quarter, we will publish our *Robo Ranking®* Winter Edition, providing an in-depth look at both the qualitative factors of robo-advice platforms as well as the performance of our underlying accounts.

This third quarter of 2022 pushed markets and indexes further into the red. Inflation has remained persistently high, and labor markets are persistently strong despite recent headlines of layoffs at some major tech firms. While supply chains continue to detangle, the war in Ukraine shows little sign of reaching a resolution. Investors increasingly question whether the Federal Reserve will overcorrect and are now more frequently asking how deep a recession will be instead of whether there will be one. Reversing years of outperformance of growth stocks, value investing is back in style year to date. Portfolios like our Wealthfront 2016 vintage portfolio and the Schwab Domestic Portfolio, which has a domestic and value-oriented portfolio, have outperformed. Fixed-income portfolios that have maintained low duration and rely on municipal bonds have done well YTD and over longer periods. For more details on performance highlights, read this quarter's performance commentary.

Top Performers

Year-to-Date Top Performers

	Best	2nd	3rd
Total Portfolio	Wealthfront (Risk 4.0 ; 2016)	Zacks Advantage	Schwab Domestic Focus
Equity	Wealthfront (Risk 4.0 ; 2016)	Interactive Advisors	Schwab Domestic Focus
Fixed Income	Zacks Advantage	Marcus Invest Smart Beta	Marcus Invest SRI

Produced by The Robo Report

1-Year Trailing Top Performers

	Best	2nd	3rd
Total Portfolio	Wealthfront (Risk 4.0 ; 2016)	Zacks Advantage	Schwab Domestic Focus
Equity	Wealthfront (Risk 4.0 ; 2016)	Zacks Advantage	Interactive Advisors
Fixed Income	Zacks Advantage	Marcus Invest Smart Beta	Marcus Invest SRI

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3-Year Trailing Top Performers

	Best	2nd	3rd
Total Portfolio	Titan Invest	Wealthfront (Risk 4.0 ; 2016)	Zacks Advantage
Equity	Tie: Wealthfront (Risk 4.0 ; 2016) and Zacks Advantage	Tie: Wealthfront (Risk 4.0 ; 2016) and Zacks Advantage	Titan Invest
Fixed Income	Zacks Advantage	Schwab Domestic Focus	SoFi

Produced by The Robo Report

5-Year Trailing Top Performers

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

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Total Portfolio winners are based on the portfolio's return vs. the Normalized Benchmark. Returns are net of fees and are as of 9/30/2022.

Performance Commentary

- *Year to date, the average robo underperformed its respective benchmark by -0.13%. Wealthfront, Zacks, and Schwab Domestic Focus outperformed their benchmarks.*
- *Unlike the equity story, on the fixed-income side, it was those robo advisors who diversified away from the traditional benchmark which performed the best.*
- *Zacks Advantage has emerged as a top choice for the last five years as it won best robo advisor for total portfolio returns, equity-only returns, and fixed-income-only returns.*

Market Backdrop

The year 2022 has been characterized by rising interest rates, persistent inflation, and the ongoing war in Ukraine. Financial markets have had all eyes on the Federal Reserve as stocks declined precipitously in response to rising interest rates. Furthermore, the 10-year U.S. Treasury rate rose from 2.98% to 3.83% over the quarter, which accompanied the S&P 500 falling by -4.89% on a cumulative total return basis. Interestingly, the Russell 3000 Value Index declined more than its growth counterpart, as it fell -5.57%, while the Russell 3000 Growth fell just -3.37% for the period. While growth slightly outperformed value for the quarter, year-to-date growth companies have been the hardest hit. For example, the Russell 3000 Growth Index fell by -30.57% for the year-to-date period ending September 30, 2022, which underperformed the Russell 3000 Value Index, which returned -17.99% for the period.

Furthermore, the 10-year U.S. Treasury rate rose from 2.98% to 3.83% over the quarter, which accompanied the S&P 500 falling by -4.89%.

When looking at international markets, turmoil underlined the period. The war in Ukraine pushed energy prices higher further bolstering the trend toward higher global inflation. For example, inflation reached 9.9% year-over-year growth in the Eurozone area according to data from Eurostat when looking at All-Items HICP (Harmonised Index of Consumer Prices). Between the war in Ukraine, higher energy prices, and the European Central Bank increasing its interest rates, it is no surprise to see the MSCI EAFE Index down over -26.68% for the year-to-date period ending September 30, 2022.

With global stocks down over 25%, investors would have hoped for a reprieve in the bond portion of their portfolio. However, due to the high level of inflation and corresponding rising-interest rate monetary policy, investors had little solace. The Bloomberg U.S. Aggregate Bond Total Return Index returned -14.61% for the year-to-date period ending September 30, 2022. The first three quarters of 2022 marked some of the lowest returns for the 60% stocks / 40% bonds portfolios we have seen. The average of robo advisor's equity allocation for the 58 portfolios tracked by Condor Capital returned -25.82%, generally in-line with equities, while fixed income returns were -13.08%, a notable 1.53%

With global stocks down over 25%, investors would have hoped for a reprieve in the bond portion of their portfolio.

outperformance versus the popular Bloomberg U.S. Aggregate index.

Year-to-Date Performance

With all of the bad news from inflation, interest rates, and the war in Ukraine, some robo advisors held up better than others on a year-to-date basis. Our Wealthfront portfolio (2016 vintage), Zacks Advantage, and Schwab's Domestic Focus were the top performers when compared to their Normalized Benchmark, a proprietary benchmarking process by which each robo advisor is compared to a comparable asset allocation benchmark. Whereas the average robo underperformed its respective benchmark, returning -0.13%, Wealthfront, Zacks, and Schwab Domestic Focus outperformed their benchmarks by approximately 4.61%, 3.43%, and 3.14%, respectively.

Wealthfront's portfolio was the winning account for the first three quarters of 2022. The robo's allocation to energy stocks (via its allocation to VDE, the Vanguard Energy Fund) was a significant boon to portfolio performance. For reference, the VDE ETF returned 34.85% year-to-date, while the S&P 500 was down -23.88%. Also, the sizing of this allocation was notable. Ranging between 5% and 10% of the equity portfolio, the dedicated energy portion was an impactful hedge this year. If commodity prices fall, however, this allocation may lose its luster.

Our Zacks Advantage robo advisor account demonstrated strong relative returns as well, as this robo account came in second place for total portfolio performance, but for entirely different reasons. This robo did well from the bond side of the portfolio. Whereas the average robo returned about -13.08% for bonds, Zacks held up much better with a -6.52% return. The primary factor here was the 3.55 years of effective duration, the lowest duration of our robo group. The average robo held a duration of 5.77 years, for comparison. Additionally, the robo was allocated to over 97% municipal bonds, which held up much better than taxable bonds in 2022. If investors are looking for an actively-managed robo advisor portfolio with a low duration profile, Zacks is a strong choice.

Wealthfront's portfolio was the winning account for the first three quarters of 2022.

Robo Advisor	YTD Fixed Income Performance Quartile	Duration	% Municipals
Zacks Advantage	1st	3.55	97.48%
Marcus Core	1st	3.86	88.95%
Ellevest	1st	4.85	93.46%
Average	**-**	**5.78**	**32.45%**

Table data as of September 30, 2022

To round out the winning portfolios, Schwab's Domestic Focus account boasted a stellar equity return for the year-to-date period. Specifically, its allocation to value stocks and its underweight to growth stocks was the primary driver of compelling relative returns. This account held 36% value stocks and 21% growth stocks, which is in stark contrast to the average robo advisor portfolio which was allocated 26% to value and 31% to growth. Given the impact of rising interest rates on growth stocks in particular, if investors expect this type of regime to continue, Schwab Domestic Focus may be a prudent choice.

Its allocation to value stocks and its underweight to growth stocks was the primary driver of compelling relative returns.

Three-Year Performance

Titan Invest, one of the most active robo-advisor portfolios across our tracked accounts, was the top performer over the three-year trailing period ending September 30, 2022. This is particularly impressive as growth stocks, which Titan's portfolio has tended to focus on thus far, have had such a difficult period in 2022, meaning that the robo advisor's 2020 and 2021 performance has been strong. When we dig into the performance, we see that Titan's equity portfolio is one of the most U.S.-biased, growth-oriented, and largest in size from a market-cap perspective. Allocations to Apple, Microsoft, and Alphabet are some of the largest holdings, and these performed well over the last three years. For example, the Russell 2000 Index (a U.S. small-cap index) and the MSCI EAFE Index (an international index) returned 4.26% and -1.28% per annum, respectively, which underperformed the Russell 1000 Growth, which returned 10.66% per annum, for the three-year period ending September 30, 2022.

Titan Invest, one of the most active robo-advisor portfolios across our tracked accounts, was the top performer over the three-year trailing period ending September 30, 2022.

When looking at trends of what propelled performance over the last three years, diversification did not reward investors who traditionally focus on domestic stocks. For the three-year period ending September 30, 2022, whereas the S&P 500 Index had a total return of 8.13% per annum, the MSCI EAFE and MSCI Emerging Markets Indices each posted a slightly negative return, each on a per annum basis. The trend propelled not only Titan Invest, but also Zacks Advantage. This domestic bias has supported investors in these platforms over the last few years, however, if international stocks start to outperform, investors may want to consider more diversified platforms to complement their allocation. Meanwhile, our Wealthfront portfolio outperformed primarily from the significant energy allocation, as detailed in the year-to-date performance. Still, Wealthfront's domestic bias helped too.

Robo Advisor	3-Year Equity Performance Quartile	% Domestic Equities
Titan Invest	1st	94%
Wealthfront (Risk 4.0; 2016)	1st	72%
Zacks Advantage	1st	88%
Average	**-**	**65%**

Table data as of September 30, 2022; includes only those robo advisors with three years of performance data

Unlike the equity story, on the fixed-income side, it was those robo advisors who diversified away from the traditional Bloomberg Aggregate Bond Index which performed the best. Zacks' top fixed income performance was thanks to a heavy allocation to municipals, as well as keeping its duration relatively short. Similarly, SoFi took our third place finish thanks to a high degree of municipal bonds complimented by a duration of about 5 years while the average robo was closer to 5.75. As municipalities continue to look strong from a balance sheet and tax-collection perspective, those robo advisors with higher allocations to municipal bonds may continue to be top performers. Additionally, investors may want to keep an eye on their robo advisor's duration if the long end of the yield curve continues to rise.

As municipalities continue to look strong from a balance sheet and tax-collection perspective, those robo advisors with higher allocations to municipal bonds may continue to be top performers.

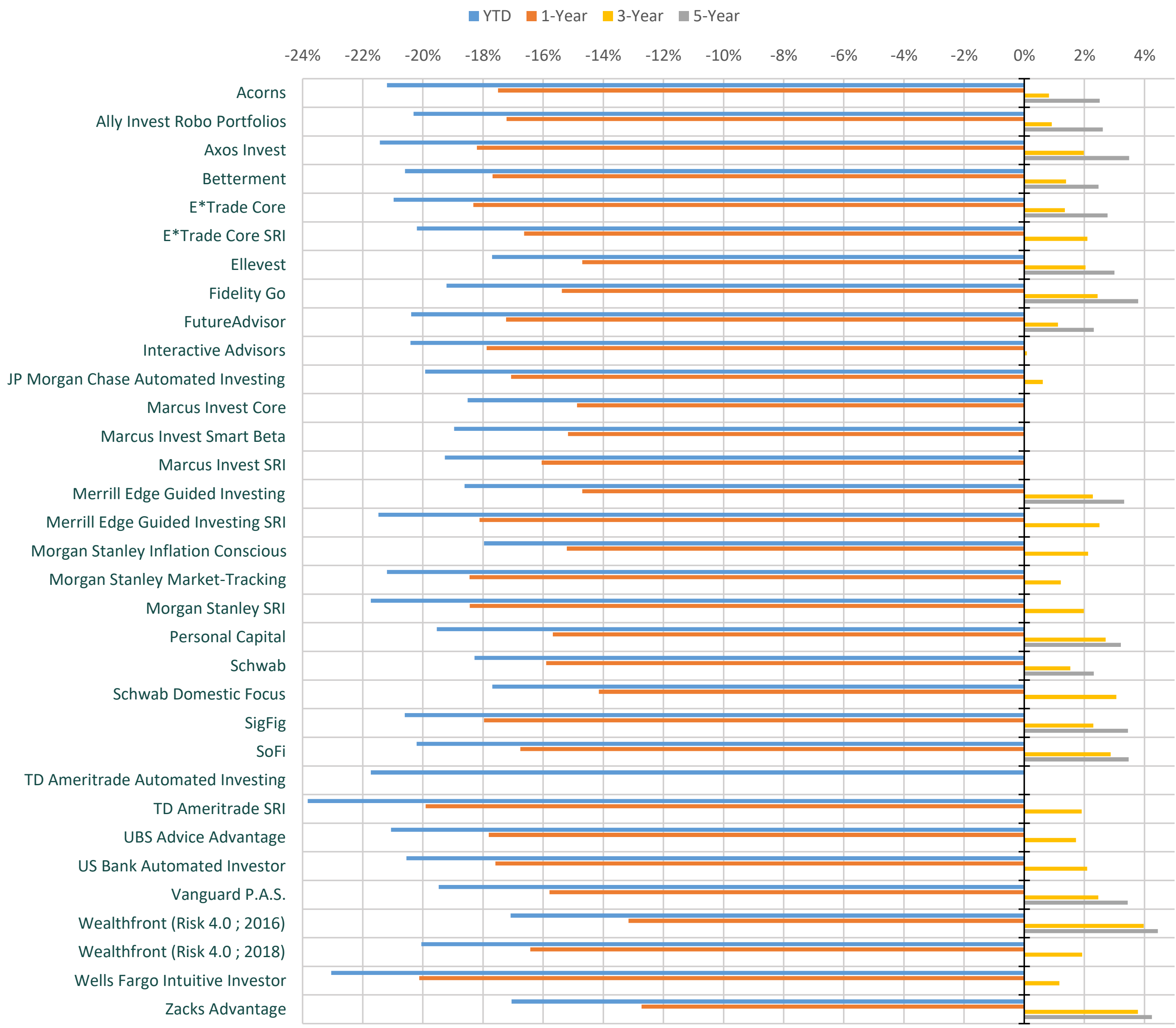
Five-Year Performance

Zacks Advantage has emerged as a top choice for the last five years as it won best robo advisor for total-portfolio returns, equity-only returns, and fixed-income-only returns. From an equity perspective, the portfolio was bolstered significantly by its U.S. equity bias on the stock side of the portfolio. In fact, Zacks had the highest U.S. equity allocation of all robo advisors amongst those with a five-year track record, with 88% of its equities invested domestically. For a few points of comparison, our Betterment and Vanguard Personal Advisor Services accounts, two popular and well-known robo advisors, had 59% and 71% invested domestically. There has long been a debate about the tradeoff of diversifying internationally juxtaposed with stronger domestic returns over the last decade. It has yet to be seen if this debate is settled, but certainly, Zacks has done well over the last five years.

When looking at the bond side of the portfolio, it has been a tale of municipals outperforming taxable bonds. Over the five-year trailing period ending September 30, 2022, the Bloomberg Municipal Bond Index averaged 0.59% per year, while the Bloomberg U.S. Aggregate Bond index averaged -0.27%. What makes our Zacks account unique, however, is the active management over time. Most robo advisors have a single portfolio that, for the most part, does not change much from year to year. Our Zacks portfolio, however, has used a "core and explore" method of investing for its bond holdings. Although there has been a core allocation of about one-third allocated to MUB, the iShares Municipal Bond ETF, the rest of the holdings have changed from corporates and taxable bonds in September 2017 to primarily very short-term treasuries in 2019, and finally the nearly 100% municipal allocation that we see in September of 2022. If investors are looking for a more tactical robo advisor, Zacks has proven to be a good choice.

When looking at the bond side of the portfolio, it has been a tale of municipals outperforming taxable bonds.

Total Portfolio Performance



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Last updated: 9/30/2021

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[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 increasing 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 Digital Advice LLC'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. Digital Advice LLC is owned by Condor Capital Wealth Management, an SEC-registered investment adviser. 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 09/30/2022, the total size of the position was 47,082 shares of Schwab common stock, 18,524 shares of JP Morgan Chase common stock, and 5,706 shares of Goldman Sachs common stock. As of 09/30/2022 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 and Schwabe.

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