

GUIDED WEALTH PORTFOLIOS (GWP) FREQUENTLY ASKED QUESTIONS:

Strategy

What is Guided Wealth Portfolios investment philosophy and methodology?

LPL Financial has collaborated with FutureAdvisor to provide you with an advisor-enhanced digital wealth management experience: Guided Wealth Portfolios. The investment platform takes academically researched portfolio management principles and industry best practices and implements them as a holistic approach to help you pursue your financial goals. In most cases, the service replaces your existing holdings with ETFs to diversify your portfolio. You can read more details about the service's methodology below.

Guided Wealth Portfolios investment management philosophy is based on the belief that diversified investing is the best approach for providing consistent results over time. It combines this investment philosophy with daily, algorithmic monitoring that auto-rebalances your accounts, identifies tax-saving opportunities, and manages your household accounts.

Since Guided Wealth Portfolios investment management can manage multiple accounts together, it can place your investments tax-efficiently and choose an appropriate allocation for your situation. Everything we do is personalized based on the details you share, including your risk tolerance, age, years to goal (if applicable), and the needs you express when completing our questionnaire. This is what makes Guided Wealth Portfolios a compelling investment management service.

Check the background of investment professionals associated with this site on [FINRA'S BrokerCheck](#).

What are ETF's?

The exchange traded funds (ETFs) recommended in Guided Wealth Portfolios are passive investment securities that replicate the performance of an index representing a certain asset class. ETFs trade on an exchange and are bought and sold like stocks. ETFs usually have a lower expense ratio than actively managed mutual funds. The ETFs that Guided Wealth Portfolios invests in are large, liquid investments that track the benchmark that LPL Research has identified as being appropriate for the portfolio.

How It Works: Signing Up

Who is behind Guided Wealth Portfolios?

Guided Wealth Portfolios investment management is powered by FutureAdvisor, based on model portfolios created by LPL, and provides you the opportunity to begin a relationship with a financial advisor. LPL is a leading independent broker/dealer, offering an integrated platform of proprietary technology, brokerage, and investment advisory services to more than 16,000 financial advisors and approximately 700 financial institutions. Both LPL and FutureAdvisor are investment advisors registered with the U.S. Securities and Exchange Commission. FutureAdvisor, wholly owned by BlackRock, Inc., is comprised of a team of financial professionals, data scientists, and software engineers. For more information on your financial advisor, please contact him or her.

Who is eligible to sign up for Guided Wealth Portfolios investment management?

To sign up for Guided Wealth Portfolios investment management, you must:

- Be a U.S. resident in [Washington, Oregon, Idaho, South Carolina, California or Arizona](#) and U.S. citizen
- Be at least 18 years old
- Have at least five years to retirement and be no more than 68 years old (if selecting retirement as goal)
- Have at least \$5,000 in investable assets
- Have a valid Social Security number or Tax Identification Number

I don't have an existing investment account, can I still sign up for an account?

Yes, we can help open traditional IRA, Roth IRA, and individual or joint taxable accounts for you. Simply let us know and we'll help you get started.

How It Works: Day-to-Day

How is my portfolio managed on a day-to-day basis?

Investing and portfolio monitoring is done by Guided Wealth Portfolios using an algorithm-driven recommendations engine.

If I have existing investment accounts when I sign up, will I be given a preview of the initial rebalance trades?

Because the initial rebalance can significantly change your portfolio, we send a preview email two days in advance. The email provides details on the asset allocation changes we intend to make to your portfolio, allowing you to access our list of proposed trades. Please note that this is a fully discretionary account. Going forward, we will only notify you when a rebalance or allocation change is complete.

How often do you rebalance?

Following the initial rebalance, we monitor your portfolio(s) daily and rebalance when your assets drift outside of our target allocation, or when life events alter your investment profile, risk tolerance, or investment horizon. Depending upon the size of the account, on average, we expect to rebalance portfolios four to six times per year.

Can I override Guided Wealth Portfolios' investment decision via the online dashboard?

No. Your individual investments are determined by your answers to the investment profile questionnaire and your number of years to goal (in the case of retirement or major purchase goals). For general investing, your individual investments are determined by your answers to the investment profile questionnaire. You'll have some ability to change your profile in the online dashboard, which may affect the individual investments in your portfolio, but you won't be able to make specific trading decisions within your account. If you have any questions, please reach out to your dedicated advisor.

Taxes

What are the tax implications of signing up for Guided Wealth Portfolios investment management?

The Guided Wealth Portfolios tax optimization strategy is designed to consider the potential tax impact of selling a security held in your portfolio. When your portfolio is rebalanced, the service considers capital gains and tax implications to minimize the tax impact to your portfolio.

In most cases, our portfolio rebalancing algorithm is designed to limit realized short term capital gains to the greater of \$200 or 5% of the position value. Exceptions may be made in certain circumstances, including liquidating a position to avoid fund fees or future transaction costs, and in order to meet cash targets such as strategic cash allocations or client instructions to hold or increase cash.. With respect to long-term gains, the service will balance a variety of factors to determine optimal treatment, considering your years to goal, portfolio size, and the potential diversification impact of a given set of transactions. Rebalancing a portfolio may cause investors to incur tax liabilities. References to tax strategies that Guided Wealth Portfolios investment management considers in managing accounts should not be confused with tax advice. LPL Financial does not provide tax advice. Clients should consult with their personal tax advisors regarding the tax consequences of investing.

How does automated tax-loss harvesting work and how much will I save?

FutureAdvisor monitors each of your taxable account holdings daily, looking for positions with at least \$500 and 1.5% in harvestable, taxable losses given the current market prices of the ETFs. To harvest taxable losses, we sell the tax lots with unrealized losses and purchase a preselected similar index fund within the same asset class. In this way, we bank the losses for tax purposes without changing the overall portfolio asset allocation. At the end of the year, we're able to use these taxable losses to offset your gains for the year and/or ordinary income.

References to tax strategies that Guided Wealth Portfolios investment management considers in managing accounts should not be confused with tax advice. LPL Financial does not provide tax advice. You should consult with your tax advisors regarding your individual situation.

Can Guided Wealth Portfolios assist me with tax planning?

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IMPORTANT: The projections or other information generated by Guided Wealth Portfolios regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

Guided Wealth Portfolios (GWP) is a centrally managed, algorithm-based, investment program sponsored by LPL Financial LLC (LPL). GWP uses proprietary, automated, computer algorithms of FutureAdvisor to generate investment recommendations based upon model portfolios constructed by LPL. FutureAdvisor and LPL are non-affiliated entities. If you are receiving advisory services in GWP from a separately registered investment advisor firm other than LPL or FutureAdvisor, LPL and FutureAdvisor are not affiliates of such advisor. Both LPL and FutureAdvisor are investment advisors registered with the U.S. Securities and Exchange Commission.

All investing involves risk including loss of principal. No strategy assures success or protects against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

Rebalancing a portfolio may cause investors to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss.

An investment in Exchange Traded Product (ETPs) involves risks such as: market, non diversification, price volatility, liquidity, competitive industry pressure, international political and economic developments, possible trading halts, index tracking error.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial LLC is not an affiliate of and makes no representation with respect to such entity.

Securities and advisory services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates BECU and BECU Investment Services are not registered broker/dealers and are not affiliated with LPL Financial.

Not NCUA/NCUSIF Insured	Not Credit Union Guaranteed	Not Obligations of BECU	May Lose Value
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