4. Have you researched additional information beyond the robo-advisor's website?

When researching various robo-advisers or any investment adviser, it is wise to conduct research beyond reading from the robo-adviser's own website. Ensure that the prospective investment adviser is appropriately registered to do business in your state. Review the full text of the client contract to understand the boundaries of the client relationship. Also, review each robo-adviser's brochure, which can be found by searching this database: https://www.adviserinfo.sec.gov/

5. Do you know the risks and limitations of your robo-adviser?

All forms of investing come with various amounts of risk. Each robo-adviser has unique risks due to its platform and investment products. You can find more information about each robo-adviser's risks by reading the brochure section of the Form ADV, which includes additional information about an investment adviser's business practices and risks specific to investing with that firm.

For information on investor education presentations in your area and access to your free annual credit report, please visit the Secretary's website at www.sec.state.ma.us/sct.

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Rev. 1/2023

What You Need to Know

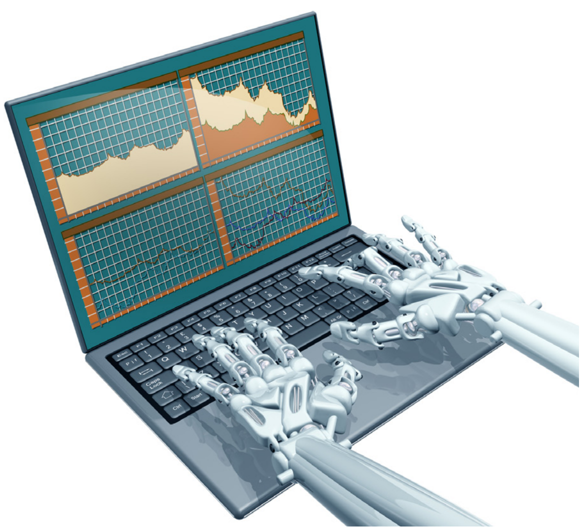
Robo-Advisers

William Francis Galvin
Secretary of the Commonwealth
Securities Division

What is a Robo-Adviser?

Our lives have become increasingly reliant on technology. These technological advances have been reflected in the financial industry with the creation of robo-advisers, which are automated, non-human investment advisers. The term "robo-adviser" is relatively broad, and is typically construed to mean any investment advice that is provided by a computer. This type of investment advice does not involve literal robots – but instead, computers using complex formulas determine how an investor's funds should be invested. An investor typically fills out a questionnaire, which the robo-adviser uses to create an investment portfolio. Robo-advisers attempt to provide investment advice at a lower cost than a traditional human investment adviser, and consequently have some limitations. For example, robo-advisers are often more limited in the ways they invest clients funds and some use only exchange traded funds ("ETFs").

There are pros and cons to utilizing a robo-adviser. For investors, it is important to know how your funds are invested, and who, or what, is ultimately responsible for deciding where investments are placed.



Advantages and Disadvantages of using Robo-Advisers	
Pros	**Cons**
Robo-advisers typically have lower fees than a traditional adviser.	Robo-advisers may not be able to tailor to individual preferences because customers may not be able to change the investment products in their portfolio.
Robo-advisers often have low minimum balances to open an account.	Robo-advisers do not often include in-person meetings or the ability to provide personalized advice on specific financial questions.
Some robo-advisers use technology to minimize taxes from investment gains by offsetting taxes from investment losses.	Robo-advisers create portfolios from information asked in their questionnaires, which may not accurately represent the suitability, goals and objectives of the customer.
Robo-advisers often offer the convenience of accessing account information through a phone or tablet so customers can keep track of their portfolio on the go.	A robo-adviser's questionnaire may not capture a customer's full financial picture and most do not offer financial planning as part of their services.

Issues to Consider when Deciding to Use a Robo-Adviser

1. What is the fee structure?

Fee structures vary widely among different robo-advisers. You should ensure that you are informed of all fees that may be charged on your account. One common fee structure is an assets-under-management fee, which charges you a percentage of the money that is in your account. You should research how your potential robo-adviser charges fees, as each may have a unique fee structure. Be aware that there may be additional fees such as trading fees, transaction fees, or flat fees.

2. Are there account minimums or additional requirements?

Robo-advisers differ as to whether they have a minimum account balance to open or maintain an account. There may be additional fees or required recurring deposits if you do not meet a certain account balance. Alternatively, some robo-advisers offer a reduced advisory fee when you reach a certain minimum balance in your account. Be informed about the requirements of a particular robo-adviser to avoid extra fees.

3. Will there be someone to contact with questions?

Robo-advising is an electronically-centered service, so your relationship to your robo-adviser may differ from a traditional advisory relationship. A traditional investment adviser would periodically call or meet with you about your account. However, robo-advisers may limit your ability to talk to a human investment adviser. Research the limitations of your robo-adviser and have a clear understanding of this relationship before entering an advisory relationship.