



Operator  
0s

Thank you for standing by and welcome to Wealthfront's fourth quarter and fiscal year 2026 earnings conference call. At this time, all participants are in a listen only mode. After the speaker presentation, there will be a question and answer session. To ask a question during the session, you will need to press star one one on your telephone. To remove yourself from the queue, you may press star one one again. I would now like to hand the call over to Matt Moon, Investor Relations. Please go ahead.

Matt Moon  
VP of Investor  
Relations  
Wealthfront  
33s

Good afternoon, everyone, and thank you for joining us today to discuss Wealthfront's fourth quarter and full year fiscal 2026 financial results, which reflect the periods ending 31st January 2026. On the line are David Fortunato, our Chief Executive Officer and President, and Alan Imberman, our Chief Financial Officer and Treasurer. After prepared remarks, we will open the line for Q&A. During the course of today's call, we may make forward-looking statements as defined under applicable securities laws. Forward-looking statements are subject to risks and uncertainties, and the company can give no assurance that they will prove to be correct. To better understand the risks and uncertainties that could cause actual results to differ, we refer you to the documents that Wealthfront files with the Securities and Exchange Commission, including our most recent Form 10-Q. Our discussion today will include certain non-GAAP financial measures.

Matt Moon  
VP of Investor  
Relations  
Wealthfront  
1m 27s

These non-GAAP financial measures should be considered in addition to, not as a substitute or in isolation from GAAP measures. Reconsiderations of non-GAAP financial measures to comparable GAAP measures can be found in our press release accompanying this call, which is posted to our investor relations website at [ir.wealthfront.com](http://ir.wealthfront.com). With that, I will now turn the call over to David.

David Fortunato  
CEO and Presi-  
dent  
Wealthfront  
1m 48s

Thank you and good afternoon, everyone. Fiscal 2026 was another successful year in which Wealthfront continued to deliver on its long-term objective of becoming the leading tech-driven platform for digital natives to turn their savings into wealth. We believe we make the best practices of personal finance accessible at low fees through technology and intuitive and convenient through user-friendly design and automation. At scale, this drives high margins, allowing us to share savings with clients, creating and engendering trust, driving asset retention and low cost word-of-mouth growth, which once again drives high margins. This flywheel enables us to offer feature enhancements such as our recent ongoing cash APY increases that I will describe in more detail later on, and more broadly, helps our clients save more on every paycheck, earn higher returns on their savings, and borrow at lower rates.

David Fortunato  
CEO and Presi-  
dent  
Wealthfront  
2m 45s

We remain grounded in our belief that the best way to build deep, long-term client relationships is to continue to delight clients by offering them more value than anyone else and focusing on their long-term financial outcomes. This informs our product development strategy and keeps us focused on our roadmap regardless of short-term market conditions. At fiscal year-end, total platform assets grew 17% year-over-year to a record \$94.1 billion, with investment advisory assets of \$48.7 billion, up 29% year-over-year, and cash management assets of \$45.4 billion, up 7% year-over-year. Funded clients ended the year at roughly 1.42 million, up 17% year-over-year, and funded accounts of roughly 1.84 million, up 16% year-over-year, reflecting 1.3 funded accounts per funded client.

**David Fortunato**  
CEO and President  
Wealthfront  
3m 44s

Total net deposits in the year ended 31st January 2026 were \$6.7 billion, including \$0.4 billion in net outflows in the fourth quarter. Fourth quarter figures reflected a cash-to-invest transition environment that resulted in the second-best quarter of total investment advisory cross-product flows, including a second consecutive record quarter of net cross-account transfers from cash to invest. This helped drive annualized organic investment advisory growth to 11% in the quarter, the highest since the market enthusiasm post-US election in the quarter ended January 2025, with monthly annualized organic growth accelerating throughout the quarter, ending at 15% in January. Recall annualized organic growth is calculated as total net deposits in a given period multiplied by an annualization factor based on actual day counts in that period divided by prior period ending assets.

**David Fortunato**  
CEO and President  
Wealthfront  
4m 46s

As we'll discuss further, Cash Management net flows began to normalize in mid-January, roughly four weeks after reducing the client rate on December nineteenth and prior to the five basis point increase to the client APY on January thirtieth. Net outflows from Cash Management were \$145 million in February, a significant improvement from the \$840 million in net outflows in January. Since February sixteenth, cumulative Cash Management net deposits have been positive.

**David Fortunato**  
CEO and President  
Wealthfront  
5m 17s

However, we expect withdrawals due to tax time seasonality to begin later this month and continue up until the 15th April federal tax deadline. On the product development side, we continue to accelerate our product velocity. For example, in the fourth quarter, we bolstered both our Cash Management and Investment Advisory offerings, enhanced interoperability between both, and began to offer early access to Wealthfront Home Lending.

**David Fortunato**  
CEO and President  
Wealthfront  
5m 45s

For cash management, we introduced automated dividend sweeps from Investment Advisory accounts to cash management accounts and increased daily withdrawal limits up to \$1 million for qualified clients. In December, we began a measured rollout of our proprietary Wealthfront Treasury Money Market Fund or WLTX. It offers an attractive after-tax yield alternative for clients and their cash, particularly for clients living in states with high income taxes, given the state tax exemption on U.S. Treasury interest income.

**David Fortunato**  
CEO and President  
Wealthfront  
6m 19s

As of the end of February, prior to general availability, the money market fund had just over \$85 million in AUM. For Investment Advisory, we expanded availability of fractional shares into Automated Investing Accounts and Automated Bond Portfolios, helping to reduce cash drag and tracking error relative to our target portfolios.

**David Fortunato**  
CEO and President  
Wealthfront  
6m 40s

We also introduced dividend reinvestment plans, as well as a broader list of stocks and ETFs that can be traded in the Stock Investing Account. We continue to see strong uptake, particularly among younger clients in this investment account. In November, we launched early access to Home Lending starting in Colorado and have since expanded to Texas and California with a full rollout to these states, as well as early access in additional states expected to come later this year. We believe we can use technology to deliver a better digital experience and a lower rate, and we are deliberately scaling at a measured pace in order to maximize learnings to optimize our long-term outcomes. We aim to provide our clients home mortgage rates at least 50 basis points better than the national average.

**David Fortunato**  
CEO and President  
Wealthfront  
7m 30s

While we are in early days, we're proud to have delivered on this objective on average in the states in which we operate today. Beyond new product initiatives, we increased the base APY on all cash management accounts by five basis points to 3.3% on January thirtieth. Over the course of the past several months, the effective federal funds rate gradually stabilized higher within its target range, allowing us to pass more savings along to our clients. We could have simply taken this benefit for ourselves, but consistent with our business model, we are constantly looking for ways to give back to our clients to deliver better financial outcomes and build trust. Our focus for Wealthfront Cash is to offer the best cash account experience for young professional savers.

**David Fortunato**  
CEO and President  
Wealthfront  
8m 15s

In this vein, we launched an incentive in early March in which clients that direct deposit at least \$1,000 per month who also have a funded investment account will receive an ongoing 25 basis points boost to their cash APY. We expect this incentive to deepen existing client relationships as well as drive cross-product adoption for those clients using one of the cash management or investment advisory accounts today. We also anticipate new clients to diversify into both of these account types more quickly. Closing with current trends, today we published February metrics. As discussed earlier, when looking at intra-month trends, cash management net outflows peaked in mid-January prior to our five basis points increase to the client base APY. Cash management net outflows significantly improved to only \$145 million in February versus \$840 million in January.

**David Fortunato**  
CEO and President  
Wealthfront  
9m 15s

Investment Advisory net deposits were \$416 million, implying an annualized organic growth rate of 11%. Total net deposits were therefore \$271 million in February, and along with market appreciation, led us to another month-end record of total platform assets of \$95.2 billion. In turbulent times like these, the time-tested performance of a low-cost diversified index portfolio with the added benefit of automated Tax-Loss Harvesting becomes more apparent. Aggregate investment account returns, most notably our Automated Investing Account, benefited in January and February from the relative outperformance of international equities, contributing to a 2.8% month-over-month growth in January and 1.7% month-over-month growth in February. Crucially, this performance stands in stark contrast to the returns of speculative asset classes that often falter when market conditions tighten.

**David Fortunato**  
CEO and President  
Wealthfront  
10m 15s

While others chase fads, our flagship Automated Investing Account is engineered to mitigate volatility and maximize after-tax outcomes. We believe the value of this product is even greater when you consider the strong year-to-date tax losses we've harvested for our clients. February Tax-Loss Harvesting dollars were the highest since the widespread market volatility realized immediately before, during, and after Liberation Day last year. With that, I'll turn it over to Alan to go over the financials.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
10m 45s

Thanks, David. Starting with the income statement and a high-level overview for the year. Revenue for fiscal 2026 reached a record \$365 million, up 18% year-over-year. Adjusted EBITDA for fiscal 2026 also hit a new record of \$170.7 million, up 20% year-over-year, reflecting an adjusted EBITDA margin of 47%, up 1 percentage point year-over-year. Moving now to the fourth quarter, revenue came in at a quarterly record of \$96.1 million, up 16% year-over-year. Cash management revenue was \$69.7 million, up 12% year-over-year due to both higher average cash management balances measured as the average of beginning end end of quarter figures and a higher annualized fee rate.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
11m 39s

The average cash management balance in the fourth quarter was \$46.2 billion, up 10% year-over-year, and the annualized cash management fee rate was 60 basis points, up 1 basis point year-over-year. When the Fed reduces the Fed funds' target rate, we typically wait until the Friday of the following week to reduce the APY we offer our clients. This creates temporary fee compression because the interest rate we receive from banks reprices lower immediately while the interest rate we pay to clients remains constant for a one-week grace period. Additionally, in a declining rate environment, the fee rate is negatively impacted by the inherent mathematical impact of converting annual percentage rates or APR to annual percentage yields or APY. The inverse of this is true in an increasing rate environment.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
12m 35s

As David noted, we launched a new incentive in early March in which clients who direct deposit at least \$1,000 per month and also have a funded investment account will receive an ongoing cash yield increase of 25 basis points. As a result of both the direct deposit incentive and the five basis points passed along to clients at the end of January, we now expect our first quarter annualized cash management fee rate to be in the range of 57-58 basis points. Because April is tax season and our clients are net cash taxpayers, we anticipate significant seasonal cash management net outflows to begin in the back half of March and continue up until the April fifteenth federal tax filing deadline.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
13m 23s

For context, net Cash Management outflows in April 2025 were \$537 million, and we would expect this figure to be larger this year given the increase in total Cash Management assets. It may seem counterintuitive, but we are delighted to see tax-related outflows because it reflects the highly attractive financial profile of our clients and also means our clients are comfortable using the Cash Account to meet near-term liquidity needs, indicating use of the account as a primary operating account that generally gets replenished over time and are typically stickier over the long run. Investment Advisory revenue was \$25.8 million, up 31% year-over-year and surpassed \$100 million in annualized revenue for the first time, due primarily to a 30% year-over-year increase in average Investment Advisory balances to \$47.3 billion.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
14m 22s

Our annualized Investment Advisory fee rate was roughly flat at 22 basis points versus the same period last year. Asset growth was driven by both strong markets and net deposits over the trailing twelve months, with organic net deposit growth accelerating throughout the quarter, ending at 15% annualized growth in January. Net cross-account transfers from cash to invest in the quarter set a new record for the second consecutive quarter, reflecting the compelling combination of a broad suite of investment products, overarching platform incentives, and targeted lifecycle marketing campaigns currently in place. Gross profit came in at a quarterly record of \$86.6 million, up 17% year over year, reflecting a gross profit margin of 90%.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
15m 14s

Total GAAP expenses of \$310.7 million included \$248.3 million in stock-based compensation expense, of which \$239 million reflected double-trigger equity award expense recognized in connection with our IPO. GAAP expenses also included \$5.3 million in employer taxes related to these double-trigger equity awards. Adjusted operating expenses, that is, expenses excluding stock-based compensation and employer taxes due to IPO-related equity awards were \$57.1 million, up 15% year-over-year, due primarily to higher product development and general administrative expense, partially offset by lower marketing expense. Adjusted EBITDA of \$44.2 million was up 22% year-over-year and reflected an adjusted EBITDA margin of 46%, up two percentage points year-over-year.

**Alan Imberman**  
**CFO and Treasurer**  
**Wealthfront**  
16m 15s

As we continue to invest in incentives and scale home lending, we expect Adjusted EBIT-DA margins to decline sequentially but remain above 40% for the first fiscal quarter 2027. We continue to demonstrate significant operational and financial discipline, delivering a Rule of 40 metric of 62 for the fourth quarter. This is our 14th consecutive quarter or more than three years exceeding the Rule of 40 and underscores a business model that has successfully and consistently balanced robust top-line growth with the structural efficiencies of our automated platform. GAAP diluted net income was -\$134.8 million, and GAAP diluted earnings per share was -\$1.31, both of which include the one-time impact of double-trigger equity awards satisfied in connection with our IPO of \$239 million.

**Alan Imberman**  
**CFO and Treasurer**  
**Wealthfront**  
17m 17s

We believe that our Adjusted EBITDA is a strong proxy for cash flow. For the fourth quarter, net cash provided by operating activities was \$33.3 million, and free cash flow was \$33 million. This results in a free cash flow conversion ratio, that is, free cash flow as a percentage of Adjusted EBITDA of 75%. January, however, is a seasonally lower free cash flow month period as we pay out the majority of our accrued annual cash bonuses to our employees in that period. For the fiscal year, net cash provided by operating activities was \$152.2 million, and free cash flow was \$151.1 million. This resulted in annual free cash flow conversion ratio of 88%. Note, both quarterly and annual free cash flow figures are not adjusted for IPO-related expenses.

**Alan Imberman**  
**CFO and Treasurer**  
**Wealthfront**  
18m 15s

Therefore, conversion ratios are lower than they otherwise would have been had the IPO not occurred. Driven primarily by this robust free cash flow generation over the course of the year and over \$130 million in net cash proceeds raised in our IPO in December, we continued to strengthen our debt-free balance sheet, ending the period with cash and cash equivalents of \$440.8 million. At quarter-end, we had roughly 186.5 million diluted shares outstanding. In March, we received board authorization to implement \$100 million in share repurchases. We believe repurchasing our stock is attractive at current levels given our robust free cash flow generation, our debt-free capital structure, as well as the multi-decade opportunity to compound wealth with new and existing clients.

**Alan Imberman**  
**CFO and Treasurer**  
**Wealthfront**  
19m 11s

Over the long term, our excess capital priorities are invest in organic growth, including infrastructure and automation, while also comfortably exceeding minimum capital requirements, evaluate opportunities to repurchase shares and assess M&A with a preference to build versus buy. Any remaining capital would be added to our surplus reserves in order to bolster resilience and durability. Regarding February metrics, total platform assets ended at another month-end record of \$95.2 billion, consisting of \$50 billion in investment advisory assets and \$45.2 billion in cash management assets. Total net deposits were \$271 million, and recall February only has 28 days in the month. Investment advisory net deposits were \$416 million, reflecting organic growth of 11% annualized.

**Alan Imberman**  
**CFO and Treasurer**  
**Wealthfront**  
20m 11s

We continued to successfully drive cash to invest flows, bringing asset-weighted cross-product adoption, that is, assets held by clients with both Cash Management and Investment Advisory accounts to roughly 61.5% at the end of February, up over one percentage point since the end of December. Cash Management net flows began to normalize in mid-January, four weeks after reducing the client rate on December 19 and prior to the five basis point increase to the client APY on 30th January. Net outflows from Cash Management were \$145 million in February, a significant improvement from the \$840 million in net outflows in January. Since 16th February cumulative Cash Management net deposits have been positive. However, we expect withdrawals due to tax time seasonality to begin later this month and to continue up until the 15th April federal tax deadline.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
21m 10s

In closing, our business is designed to be aligned with the interest of our clients. Simply put, we succeed only when they do. We believe that as long as we continue to deliver products that truly delight our clients, they will engage more broadly with us, entrust us with more of their wealth, and recommend our platform to their friends, family, and coworkers. We are deeply committed to this long-term journey alongside them. With that, let's move to Q&A.

**Operator**  
21m 42s

Thank you. As a reminder, to ask a question, you will need to press star one one on your telephone. To remove yourself from the queue, you may press star one one again. You will be limited to one question and one follow-up to allow everyone the opportunity to participate. Please stand by while we compile the Q&A. Our first question comes from the line of Ken Worthington of J.P. Morgan. Your question please, Ken.

**Ken Worthington**  
Senior Equity Research Analyst  
JPMorgan  
22m 19s

Hi, good afternoon, and thanks for taking my question. I want to dig further into the rollout of mortgages and see how that's going. What kind of reception are you getting from your customers in Colorado, you know, where that offering is more seasoned? Can you see, based on the transfer of assets to title companies, how your penetration of eligible customers is looking thus far?

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
22m 47s

Hey, Ken. How's it going? Yeah. We're progressing, I think, well. The thing that we're optimizing for, we talked a little bit about in the prepared remarks, is less about directly trying to capture all of the volume that we reasonably can in Colorado and really maximizing the learning that we have, both with our infrastructure and with the client experience. As we've launched first in Colorado with the early access period and then in Texas and California, we're really focused on making sure that the experience that we're delivering to clients is good. There are things that we have to improve, and we are working on. We've already rolled out a bunch of improvements with more to come. On the rate basis, we feel very good about overpromising.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
23m 33s

Sorry, underpromising and over-delivering on the quality of rate that we're giving folks. We're still seeing significant home volume across the country. I think the stat that I saw was more than \$400 million of wires to escrow and title companies in our Q4 went off the platform, which obviously is a significant chunk of the outflows that we saw. We have a bunch of things that we need to improve on the digital experience. We're making quick progress, but it's a huge area of focus for us. As we continue to expand the early access period, the real constraint that we have is that the experience that we're offering to clients is one that we feel good about and we feel the clients will feel good about for the long term.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
24m 22s

We're not trying to build a transactional mortgage experience. We're trying to build a long-term relationship with clients, of which mortgage is just one step.

**Ken Worthington**  
Senior Equity Research Analyst  
JPMorgan  
24m 31s

Perfect. Maybe to follow up, same topic. How do you see the ramp and the rollout to other states and the, you know, further penetration in existing states? How does that look as you move through the rest of the year? Is this really kind of an experimental year where, you know, you wouldn't expect things to kind of, you know, juice and really ramp? It's just sort of getting the infrastructure. Or do you expect things to really kind of ramp, you know, as we move throughout the year and as you get, you know, more comfortable with the offering?

**David Fortunato**  
CEO and President  
Wealthfront  
25m 8s

We certainly expect to go general availability in Colorado first. That will happen sometime this year. I would expect that we go general availability in Texas and California at some point this year. I would expect that we launch early access periods in additional states. Exactly what percentage of our client base will be covered by general availability, I'm less sure of. Our ability to roll out automation features and balance scaling headcount versus scaling through technology is the kind of core dance that we're doing, where we're trying to really scale with technology and limit headcount growth where needed, except where we are very confident in the volumes that we are seeing, and that's a credible strategy to be able to build sustainable volume over time.

**Operator**  
26m 3s

Thank you. Our next question comes from the line of Ryan Tomasello of KBW. Your question please, Ryan.

**Ryan Tomasello**  
Managing Director  
KBW  
26m 14s

Hi, everyone. Thanks for taking the questions. Regarding the Cash Management fee rate guide for Q1, I believe you said 57-58 basis points. Is that a reasonable baseline for the remainder of the year? Or, you know, how should we think about the potential for additional compression there to the extent these incentives you're offering continue to see strong uptake?

**David Fortunato**  
CEO and President  
Wealthfront  
26m 40s

Hey, Ryan. Thanks. Yeah. The one thing I would say is the competitive environment has certainly evolved a bit over the last six months. What we have seen is after the five basis point change and the direct deposit incentive, I think we feel much better about where we are in the competitive environment, and we're seeing that with the transition in cash net flows. As for how we think about the fee rate going forward, I'll let Alan take that.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
27m 11s

Yeah, Ryan. I would say the 57%-58% is just the first quarter guide. It will really depend on the uptake as to how the rest of the year goes. The thing we like about incentives such as the direct deposit incentive is that, you know, we will only have to pay the extra rate when people give us more money or take on this additional incentive by performing the action of direct deposit and funding an investment account. As more people adopt it, we do expect to see potentially further degradation in the fee rate, but that would also signal that we have more clients building deeper relationships across the platform with us. That's the balance we're looking for there.

**Ryan Tomasello**  
Managing Director  
KBW  
27m 58s

Okay. Appreciate that. On the account growth, is it possible to isolate the specific trends within the Investment Advisory side of the business? Obviously, the trends on net deposit organic growth have been quite positive, but I would assume that there's also underlying positive trends on just the actual account growth side within Investment Advisory. Any color you can provide there?

**David Fortunato**  
CEO and President  
Wealthfront  
28m 24s

Yeah. I mean, the investment account growth, especially as cash-only clients add investment accounts, is a key focus for us in any transition environment. It has been probably the most significant focus inside of the company over the past three or four months. We focus on the flows because that's what ultimately leads to asset growth and therefore revenue growth because of our monetization strategy. The way that we achieve that flow growth is both growing with clients over the long term and getting more clients to adopt investment products. It's too early to know exactly what the impact will be from the direct deposit incentive that we're trying. I think we're looking forward to being able to talk more about that as we get additional data in. We've been pleased with the early response.

**David Fortunato**  
CEO and President  
Wealthfront  
29m 16s

Obviously, direct deposit takes some time to come through, and there's a little bit of a lag. We haven't had a direct deposit cycle since that incentive launched. The past incentives that we've run around investment account adoption, along with the macro environment in January and February being more conducive to investment, have helped our focus on investment cross-product adoption and new client investment growth as well.

**Operator**  
29m 46s Thank you. Our next question comes from the line of Devin Ryan of JMP Securities. Please go ahead, Devin.

**Devin Ryan**  
Managing Director and Director of Financial Technology Research  
Citizens JMP  
29m 57s Thank you. Hi, David. Hi, Alan. How are you?

**David Fortunato**  
CEO and President  
Wealthfront  
30m 0s Doing well. Thank you.

**Devin Ryan**  
Managing Director and Director of Financial Technology Research  
Citizens JMP  
30m 2s Good. Question, another on just kinda cash account and, just, you know, some of the outflows kinda late last year, early this year. Do you have a sense of whether that money was going toward other online banks paying higher rates or was it going to brokerages or maybe, just, you know, bill pay without kind of gross flows? Just love to get a sense of that. Do you have a sense of the remaining balances that are maybe more pure rate chasers?

**Devin Ryan**  
Managing Director and Director of Financial Technology Research  
Citizens JMP  
30m 33s Like how much of that is remaining? I appreciate that that's probably difficult to quantify, but would love to just get some thoughts on that and some of the behavior that you did see kind of late last year and early this year.

**David Fortunato**  
CEO and President  
Wealthfront  
30m 46s Sure. I'm happy to give a high-level answer, and then if Alan has anything he wants to add, he can chime in. What we saw, I think, broadly consistent with what we had discussed previously and that's that as rate cuts occur, the larger number of rate cuts that occur in consecutive succession leads to more folks evaluating what they're doing with their cash. We had three cuts in a row. It takes several weeks for cash net flow activity to normalize post-Fed rate cut, which I think we'd talked about before. We normally have a really good idea sort of 4-6 weeks after a rate cut has gone through.

**David Fortunato**  
CEO and President  
Wealthfront  
31m 33s One of the interesting things that we saw in January was that January is a seasonal high period for investing, which I think amplified some of our desire to drive additional cash to invest adoption, because January is a great period for folks to reevaluate their finances and think about opening investment accounts. We did lean into that in January, and I think some of what you see in the January numbers is that. The other thing I would point out is that the gross versus net distinction in cash flows, especially because of the liquidity features that we offer, you know, free wires, free instant transfers, the ability to send money to escrow and title companies to buy a home. We do a lot of gross flows for cash management.

**David Fortunato**  
CEO and President  
Wealthfront  
32m 31s

We did a calculation where we look at the recapture rate of those gross flows by client in the quarter, and we are recapturing a majority of the gross withdrawals that we saw from clients in our Q4. That's consistent with what we have seen in prior periods. We think it shows the value of the cash management account really sustaining even as clients reach goals. Maybe they are purchasing a house or putting a down payment down. Maybe they're buying a car. They come back to the cash account, and we do recapture a significant chunk of those assets. I think the sort of high-level question that you asked about what are folks doing with their money is there are folks that are doing some of all of the things that you described with their money.

**David Fortunato**  
CEO and President  
Wealthfront  
33m 23s

It's our job to be the best place for our clients to invest for the long term, the best place to save for the long term. We wanna deliver the best mortgage experience that they can get anywhere as well. It will take us time to do some of those things, especially the mortgage, but that's really what the focus of the business is, leading with product and delivering the best product and the best value to our clients across their sort of broad financial needs.

**Devin Ryan**  
Managing Director and Director of Financial Technology Research  
Citizens JMP  
33m 50s

Okay. Great detail. Thank you so much. I guess a follow-up here on the repurchase authorization, \$100 million buyback. Can you talk a bit about kind of expectations, kinda pacing intent there? I think it's a strong signal. Obviously, the company has a lot of liquidity here. In theory, even potentially more behind that. Just love to get a sense of, like, how much a signal versus intent to actually, you know, step in and buy shares here down from the IPO price. Thanks.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
34m 22s

Hey, Devin, it's Alan. What I would say is that we think the shares are extremely attractive at the current price. We are in a position, as you mentioned, to have a very strong balance sheet and free cash flow generation, such that you know, we can make this investment and we'll you know, compare our ability and our willingness to repurchase against obviously other opportunities that we have to invest in. But we do think that we will be purchasers of our shares, especially at the current levels.

**Operator**  
35m 2s

Thank you. Our next question comes from the line of Dan Perlin of RBC Capital Markets. Your question please, Dan.

**Dan Perlin**  
Managing Director and Senior Equity Analyst  
RBC Capital Markets  
35m 14s

Thanks. Good evening, everyone. I guess I just wanted to kinda circle back a little bit on the home lending side. I guess the broader context is, you know, I heard everything you said in your prepared remarks, but how do you think that rollout, product reception and expectations as you think about, you know, the ensuing year are going relative to when you kind of addressed investors, you know, around the IPO? I mean, it sounds pretty consistent, but it also sounds like there's some nuance differences maybe. I just wanna make sure I understand that. Thank you.

**David Fortunato**  
CEO and President  
Wealthfront  
35m 51s

Sure. I think we know a lot more about the areas that we need to improve to deliver the best digital experience that we can to clients. We're putting in focused work on those areas and gradually expanding as we go. We understand a lot more about the operational challenges and where we need to invest to drive operational efficiency so that we can do so as efficiently as possible with as digital a backend experience as we can. The result of those things is, you know, we wanna build like we have with cash, like we have with investments, a sustained low cost advantage in being able to deliver the products so that we're able to share the savings with clients and get them the best financial outcome.

**David Fortunato**  
CEO and President  
Wealthfront  
36m 37s

There's a lot more that we understand with the volume of loans that we've done so far. We will continue to learn and prioritize both the operational efficiency and digital experience wins, as we move along. Continuing to let people off the early access lists and go general availability in Colorado first. I think our understanding and our learnings are generally consistent with what we have communicated in the past. We obviously have a lot more detail now from operating in the space, operating in more states, and doing more loans than we have in the past.

**Dan Perlin**  
Managing Director and Senior Equity Analyst  
RBC Capital Markets  
37m 15s

Nope, that's great. Just a quick follow-up. It was really good to see like the net deposits turn positive in February, and this pivot, you know, from Cash Management to Investment Advisory, as you guys had telegraphed, was kind of taking place. I think the question that I have is like you've got this. We're kind of in a weird dynamic right now where the environment may or may not produce kinda lower rates in the near term. It might be, you know, sustained for longer. I'm just wondering how you guys think about positioning yourselves, maybe more in the near term in an environment where that might be the case.

**Dan Perlin**  
Managing Director and Senior Equity Analyst  
RBC Capital Markets  
37m 52s

It might be an unfair question, you know, because it's impossible to answer, but it does feel like there's a lot more volatility and around expectations for rates. Just how you're posturing maybe as we go through the next, I guess, couple of quarters. Thank you so much.

**David Fortunato**  
CEO and President  
Wealthfront  
38m 6s

Yeah. So I think we feel good about our competitive positioning after the 5 basis point change and the 25 basis point direct deposit incentive. Obviously we don't know what the market's going to do in the future. We don't know what rates are going to do in the future. We do think that we're well positioned from the investment side because of our focus on global diversification. That's put us in a good position over the last few months. What we've really seen resonating with clients is, in uncertain environments, investing with global diversification is a real selling point.

**David Fortunato**  
CEO and President  
Wealthfront  
38m 39s

We sort of don't think about positioning ourselves based on what's going to happen over the next few months, but we feel good about our position because of the investments we've made over the last few years in Cash Management and Home Lending also. That if rates come down, we feel like we're in a good position to help clients continue to invest or invest more. We feel like we're in a good position to be able to help them buy homes that have become more affordable at lower interest rates, while also helping them continue to save for the long term and get access to liquidity as needed, using, you know, tax advantage tools like the Wealthfront Money Market Fund.

**David Fortunato**  
CEO and President  
Wealthfront  
39m 22s

As we've continued to build out our offering, our goal is really to help clients across the broadest range of financial situations be able to put their savings and investments to work. That's been the focus, and we feel good about the position because of the diversity. We can't predict the future, but we can prepare for it, and that's what we've done.

**Operator**  
39m 43s

Thank you. Our next question comes from the line of James Yaro of Goldman Sachs. Your question please, James.

**James Yaro**  
Managing Director of Equity Research  
Goldman Sachs  
39m 54s

Good afternoon, and thanks for taking the question. Could you just update us on the success of the match programs in the invest business so far? How much has this been driving the flows in that side of the business? Perhaps if you could just also comment on the ROIs there and how you structure that to ensure strong ROIs.

**David Fortunato**  
CEO and President  
Wealthfront  
40m 21s

Hey, James. I would say we're constantly experimenting with incentives. The most successful incentives that we have done for cash to invest adoption have actually not been the deposit matches. It's been other types of incentives that we've run to encourage cash to invest adoption. We're, I think, happy with the initial response to the direct deposit incentive having driven a fair amount of investment account opening. It's still early, and we'll have to see how that evolves over time. We'll have to see how that evolves with new clients and if the cross-product adoption rate early in the client tenure improves as we expect it to.

**David Fortunato**  
CEO and President  
Wealthfront  
41m 7s

I think generally our incentives have been successful at, you know, with the second-best quarter in our history at cross-product flows of cash to invest and a second record quarter of net cross-account transfers from cash to invest. I don't think that we haven't overly focused on match as the driver of those. We've looked at a variety of incentives, and are pursuing the ones that we feel deliver the best overall outcome to the company and to our clients.

**James Yaro**  
Managing Director of Equity Research  
Goldman Sachs  
41m 35s

Okay. Thank you so much. That's super helpful. I just wanted to ask a bigger picture one. You know, let's say we get to a terminal Fed funds of roughly 3%, which, you know, obviously there's uncertainty as to whether we'll get there. How would you think about the right way to model the mix of your client assets across cash versus investment advisory? In other words, what percentage of client assets would you expect to be cash versus investment advisory?

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
42m 8s

Hey, James. It's Alan here. I think it's a difficult question in the sense that there's more going on than just the level of rates. It's clients are accumulating more wealth. As we have shown in our prospectus, you know, as clients obtain a certain level of cash, they start putting incremental dollars to work in investing. You start to see the investment account, which grows faster as well, really continue to grow. That's what we've seen over the past few quarters. We didn't discuss this last time, but you know, investment advisory assets have now overtaken cash assets pretty clearly.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
42m 49s

When we're modeling it, I think it depends on as well as, you know, younger clients coming in start with cash because they're early in the journey in savings. I think you have to have more variables than just the level of rates. I think you have to, you know, have variables around clients that are coming in and then our existing clients and their behavior. Again, we have control over that in some of the incentives that we offer. That's probably what I would, how I would think about it.

**Operator**  
43m 21s

Okay, thanks a lot. Thank you. Our next question comes from the line of Alex Markgraff of KeyBanc Capital Markets. Your question, please, Alex.

**Alex Markgraff**  
VP and Equity Research Analyst  
KeyBanc Capital Markets  
43m 37s

Thanks. Hey, David, Alan, Matt. Thanks for the question. Maybe a couple here. I guess just first, David, from a product standpoint, if I look at the releases in calendar 2025, pretty busy. Just sort of curious how you think about calendar 2026 or fiscal 2027, you know, using the sort of digestion year versus carry forward a velocity framework. And then Alan, just sort of as a follow on to that, maybe just some comments on spend priorities in that, in the context of David's comments would be helpful. Thank you.

**David Fortunato**  
CEO and President  
Wealthfront  
44m 11s

Hey, Alex. I guess, you know, our focus and as a sort of product development and technical organization is to be able to build automated products so that we can continue to focus most of our technical talent on delivering new products to clients and improving our existing products. We have a lot left to build. I would say that one of the things that we've seen over the past couple of years is that our roadmap only ever gets longer of things that we wanna focus on and we wanna get out to our clients. As we continue to build a deeper understanding of our clients' financial situation through both the qualitative and quantitative research that we do into their financial lives, we continue to have new ideas and be excited about those ideas.

**David Fortunato**  
CEO and President  
Wealthfront  
45m 0s

The focus that we have really is on prioritizing, and focusing on the things that we think will make the biggest impact to our clients' financial outcome and have the biggest impact on our business. We really wanna continue to accelerate product velocity, if anything, to continue to get products out to clients and improve the existing product experience so that Wealthfront is delivering the best value of any provider in the space.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
45m 26s

Yeah. What I would say to add to that in terms of kind of the spend, I mean, as I mentioned in the prepared remarks, the investment in Home Lending, as well as our incentives, are really where we're putting a lot of kind of resources. You know, we continue to work on incentives and really strengthening the core as well while we invest in Home Lending. That's the emphasis hasn't changed. We continually look at our business model flywheel and kind of prioritize around that. We're continually trying to figure out ways to automate, to generate savings, share those savings with clients, to help their financial outcomes, build that trust, get them to refer us and grow with word of mouth. Some of that is used through incentives.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
46m 19s

We'll continue to use that as kind of our, you know, framework for how we invest.

**Alex Markgraff**  
VP and Equity Research Analyst  
KeyBanc Capital Markets  
46m 28s

Awesome. I appreciate that. Then Alan, maybe just a quick follow-up, more sort of model mechanics question on the money market fund. Understanding there are a lot of sort of factors that determine the ramp of that. But just as we see that sort of mix into the model, just a reminder on how that sort of affects the revenue lines would be helpful.

**Alan Imberman**  
CFO and Treasurer  
Wealthfront  
46m 49s

Yeah. It'll be inside of Cash Management. We're in a fee waiver period right now. I think starting March first, the fee is a quarter of a percent on the management fee. In terms of you know, as David mentioned, it offers a really good after-tax yield for folks in states with high income tax. We'll have to see in terms of how it you know the growth once we roll it out general availability. That's where it'll fit, and that's kind of the monetization on the product.

**Alex Markgraff**  
VP and Equity Research Analyst  
KeyBanc Capital Markets  
47m 28s

Awesome. Thank you both. Appreciate it.

**Operator**  
47m 34s

To once again ask a question, please press star one one on your telephone. Again, that's star one one on your telephone to ask a question. As there are no further questions in queue, I would now like to turn the conference back to David Fortunato for closing remarks. Sir.

**David Fortunato** Thank you. I want to thank everyone for joining the call and for your continued interest  
**CEO and Presi-** in Wealthfront. We look forward to staying in touch and updating you on our progress in  
**dent**  
**Wealthfront** the months ahead. Thanks, all.

47m 58s

**Operator** This concludes today's conference call. Thank you for participating. You may now  
48m 10s disconnect.