



# Betterment Portfolios

**US-Only Portfolio**

**Q4 2025**

**For Financial Professionals Only**



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# 1. Our Approach



Where available, Betterment seeks to provide additional strategies to add to Betterment's suite of managed portfolio solutions. When developing new portfolio strategies, Betterment operates using the five core principles of investing:

- ◆ Personalized planning
- ◆ A balance of cost and value
- ◆ Diversification
- ◆ Tax optimization
- ◆ Behavioral discipline

## 2. Investment Strategy

The Betterment US- only portfolio invests in a portfolio of U.S.-based stocks and bonds, designed by experts and offered alongside our other portfolios.

Our portfolio construction process includes:

- ◆ Creating a diversified portfolio using relatively low-cost exchange traded funds (ETFs) with US exposure.
- ◆ Incorporating long-term return assumptions determined by the Capital Asset Pricing Model (CAPM). The covariance matrix which describes the relationship of assets with each other, is a component in projecting these returns.
- ◆ Applying asset class constraints, minimizing deviation of expectations from custom benchmarks
- ◆ Using Monte Carlo simulations to help optimize diversification and expected performance over a broader range of potential market outcomes.

In selecting the investments to construct the portfolio, Betterment takes into consideration the [Cost of Ownership \(CO\)](#). The CO score consists of the "cost to hold" and "cost to trade" which are factors that can impact the return experienced by the investor. Additional due diligence and monitoring is conducted for active funds.





# 3. Portfolio Asset Allocation

## Tax-deferred model

			Asset Allocation (% Equities/ % Fixed Income)											
Ticker	Fund Name	Asset Class	Net Exp Ratio <sup>1</sup>	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
<b>Equities</b>														
SPYM	State Street SPDR Portfolio S&P 500 ETF	U.S. Large Cap Stocks	0.02	0	10	16.8	25.2	33.6	42.7	51.2	59.6	68	76.3	84.6
SPMD	State Street SPDR Portfolio S&P 400 Mid Cap ETF	U.S. Mid Cap Stocks	0.03	0	0	1.8	2.7	3.6	4.1	4.9	5.8	6.7	7.6	8.6
SPSM	State Street SPDR Portfolio S&P 600 Small Cap ETF	U.S. Small Cap Stocks	0.03	0	0	1.4	2.1	2.8	3.3	3.9	4.6	5.3	6.1	6.8
<b>Equities Total</b>				<b>0</b>	<b>10</b>	<b>20</b>	<b>30</b>	<b>40</b>	<b>50</b>	<b>60</b>	<b>70</b>	<b>80</b>	<b>90</b>	<b>100</b>
<b>Fixed Income</b>														
AGG	iShares Core U.S. Aggregate Bond ETF	U.S. High Quality Bonds	0.03	0	2.4	15	28	36	39.6	32.5	25.4	16.8	8.9	0
GBIL	Goldman Sachs Access Treasury 0-1 Year ETF	U.S. Short-Term Treasuries	0.12	40	40	25	15	2.4	0.8	0	0	0	0	0
HYLB	Xtrackers USD High Yield Corporate Bond ETF	U.S. High Yield Corporate Bonds	0.05	0	0	3.9	7	7.2	5.6	4.4	3.3	2.2	1.1	0
JPST	JP Morgan Ultra-Short Income ETF	U.S. Short-Term High Quality Bonds	0.18	40	32.6	31.1	15	8.4	1.6	1.5	0	0	0	0
STIP	U.S. Inflation-Protected Bonds	iShares 0-5 Year TIPS Bond ETF	0.03	20	15	5	5	6	2.4	1.6	1.3	1	0	0
<b>Fixed Income Total</b>				<b>100</b>	<b>90</b>	<b>80</b>	<b>70</b>	<b>60</b>	<b>50</b>	<b>40</b>	<b>30</b>	<b>20</b>	<b>10</b>	<b>0</b>
<b>Total Portfolio</b>				<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Asset- Weighted Expense Ratio</b>				<b>0.13</b>	<b>0.11</b>	<b>0.1</b>	<b>0.06</b>	<b>0.04</b>	<b>0.03</b>	<b>0.03</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>

Source: Betterment, portfolio allocations as of 12/31/2025. Betterment may change the allocations over time. Allocations may not be representative of current or future investments. Investing involves risk. Performance not guaranteed.

<sup>1</sup>As reported in each ETF's most recent prospectus as of 12/31/2025. The current expense ratio may be higher or lower.



## Taxable model

Asset Allocation (% Equities/ % Fixed Income)														
Ticker	Fund Name	Asset Class	Net Exp Ratio <sup>1</sup>	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
<b>Equities</b>														
SPYM	State Street SPDR Portfolio S&P 500 ETF	U.S. Large Cap Stocks	0.02	0	10	16.8	25.2	33.6	42.7	51.2	59.6	68	76.3	84.6
SPMD	State Street SPDR Portfolio S&P 400 Mid Cap ETF	U.S. Mid Cap Stocks	0.03	0	0	1.8	2.7	3.6	4.1	4.9	5.8	6.7	7.6	8.6
SPSM	State Street SPDR Portfolio S&P 600 Small Cap ETF	U.S. Small Cap Stocks	0.03	0	0	1.4	2.1	2.8	3.3	3.9	4.6	5.3	6.1	6.8
<b>Equities Total</b>				<b>0</b>	<b>10</b>	<b>20</b>	<b>30</b>	<b>40</b>	<b>50</b>	<b>60</b>	<b>70</b>	<b>80</b>	<b>90</b>	<b>100</b>
<b>Fixed Income</b>														
AGG	iShares Core U.S. Aggregate Bond ETF	U.S. High Quality Bonds	0.03	0	0	1.5	2.9	3.7	4	3.3	2.6	1.7	0	0
GBIL	Goldman Sachs Access Treasury 0-1 Year ETF	U.S. Short-Term Treasuries	0.12	40	40	25	15	2.4	0.8	0	0	0	0	0
HYLB	Xtrackers USD High Yield Corporate Bond ETF	U.S. High Yield Corporate Bonds	0.05	0	0	3.9	7	7.2	5.6	4.4	3.3	2.2	1.1	0
JPST	JP Morgan Ultra-Short Income ETF	U.S. Short-Term High Quality Bonds	0.18	40	32.6	31.1	15	8.4	1.6	1.5	0	0	0	0
MUB	iShares National Muni Bond ETF	U.S. Municipal Bonds	0.05	0	2.4	13.5	25.1	32.3	35.6	29.2	22.8	15	8.9	0
STIP	U.S. Inflation-Protected Bonds	iShares 0-5 Year TIPS Bond ETF	0.03	20	15	5	5	6	2.4	1.6	1.3	1	0	0
<b>Fixed Income Total</b>				<b>0</b>	<b>10</b>	<b>20</b>	<b>30</b>	<b>40</b>	<b>50</b>	<b>60</b>	<b>70</b>	<b>80</b>	<b>90</b>	<b>100</b>
<b>Total Portfolio</b>				<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Asset-Weighted Expense Ratio</b>				<b>0.13</b>	<b>0.11</b>	<b>0.1</b>	<b>0.07</b>	<b>0.05</b>	<b>0.04</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.02</b>	<b>0.02</b>

Source: Betterment, portfolio allocations as of 12/31/2025. Betterment may change the allocations over time. Allocations may not be representative of current or future investments. Investing involves risk. Performance not guaranteed.

<sup>1</sup>As reported in each ETF's most recent prospectus as of 12/31/2025. The current expense ratio may be higher or lower.

# 4. Portfolio Performance



## Tax-deferred model

Asset Allocation (% Equities/ % Fixed Income)	Performance Total Return (%)			
	3 months	Year to Date	1 year	3 years (annualized)
<b>0/100 Portfolio</b>	<b>0.9</b>	<b>4.5</b>	<b>4.5</b>	<b>4.3</b>
0/100 Benchmark	1.1	5.2	5.2	3.9
<b>10/90 Portfolio</b>	<b>1.1</b>	<b>6</b>	<b>6</b>	<b>5.5</b>
10/90 Benchmark	1.3	6.7	6.7	5.2
<b>20/80 Portfolio</b>	<b>1.3</b>	<b>7.6</b>	<b>7.6</b>	<b>6.3</b>
20/80 Benchmark	1.4	8.5	8.5	6.4
<b>30/70 Portfolio</b>	<b>1.4</b>	<b>9.2</b>	<b>9.2</b>	<b>7.2</b>
30/70 Benchmark	1.5	10.2	10.2	7.6
<b>40/60 Portfolio</b>	<b>1.6</b>	<b>10.7</b>	<b>10.7</b>	<b>8.1</b>
40/60 Benchmark	1.7	11.9	11.9	8.7
<b>50/50 Portfolio</b>	<b>1.7</b>	<b>11.8</b>	<b>11.8</b>	<b>9.2</b>
50/50 Benchmark	1.8	12.9	12.9	10.1
<b>60/40 Portfolio</b>	<b>1.9</b>	<b>12.7</b>	<b>12.7</b>	<b>10.3</b>
60/40 Benchmark	1.9	14	14	11.5
<b>70/30 Portfolio</b>	<b>2.1</b>	<b>13.5</b>	<b>13.5</b>	<b>11.4</b>
70/30 Benchmark	2.1	15	15	12.9
<b>80/20 Portfolio</b>	<b>2.2</b>	<b>14.3</b>	<b>14.3</b>	<b>12.5</b>
80/20 Benchmark	2.2	15.9	15.9	14.3
<b>90/10 Portfolio</b>	<b>2.4</b>	<b>15.1</b>	<b>15.1</b>	<b>13.5</b>
90/10 Benchmark	2.3	16.9	16.9	15.6
<b>100/0 Portfolio</b>	<b>2.5</b>	<b>15.8</b>	<b>15.8</b>	<b>14.5</b>
100/0 Benchmark	2.4	17.7	17.7	16.9

Benchmark performance information is based on returns data from FactSet as of December 31, 2025. The blended benchmarks consist of the MSCI US Index for the respective stock allocation and Bloomberg Barclays US Aggregate Bond Index for the respective bond allocation. In risk levels where bond allocations are 70% or greater, the Bloomberg 1-3 Year U.S. Treasury Index is blended with the Bloomberg Barclays US Aggregate Bond Index for the respective bond allocation. At the 30% stocks/ 70% bonds allocation, the Bloomberg US Aggregate Bond Index represents 65% of the bond allocation, and the Bloomberg 1-3 Year U.S. Treasury Index represents 35% of the bond allocation. At the 20% stocks/ 80% bonds allocation, the Bloomberg US Aggregate Bond Index represents 35% of the bond allocation, and the Bloomberg 1-3 Year U.S. Treasury Index represents 65% of the bond allocation. At the 10% stocks/ 90% bonds allocation, the Bloomberg US Aggregate Bond Index represents 10% of the bond allocation, and the Bloomberg 1-3 Year U.S. Treasury Index represents 90% of the bond allocation. At the 100% bonds allocation, the Bloomberg 1-3 Year U.S. Treasury Index represents 100% of the bond allocation.

Performance information for the fund benchmarks is based on the time-weighted returns of the fund. Dividends are assumed to be reinvested daily at market closing prices into the fund from which the dividend was distributed. Index performance is for illustrative purposes only. Index performance does not reflect any of Betterment's management fees, transaction costs or fund expenses. You cannot invest directly in an index.

"Since Inception" of the US-only portfolio strategy is September 20, 2024. Hypothetical performance information for the Betterment allocations is based on the time-weighted returns of Betterment portfolios with primary tickers that are at the target allocation every market day (this assumes portfolios are rebalanced daily at market closing prices). Dividends are assumed to be reinvested in the fund from which the dividend was distributed. Performance information presented reflects the impact of market conditions over the period displayed. Market conditions can and will impact performance (including economic crises, political discord, interest rates, exchange rates, and social events). Betterment allocations reflect portfolio holdings as of December 31, 2025 and are net of fund fees and are net of an assumed annual 0.25% management fee charged by Betterment to either the advisor or plan sponsor; however, individual fees may vary. The performance information is not net of additional fees charged to a BAS advisor's advised clients or a Betterment at Work plan sponsor or plan participants. Performance information does not include deposits or withdrawals over the performance period. These portfolio allocations are not representative of the performance of any actual Betterment account and actual client experience may vary because of factors including, individual deposits and withdrawals, secondary tickers present in the portfolio through tax loss harvesting, allowed portfolio drift, rebalancing, transactions that do not occur at close of day prices, and differences in holdings between tax-advantaged and taxable portfolios. As such, it is not recommended to use model performance in making investing decisions. Investing in securities involves risks, and there is always the potential of losing money when you invest in securities. This information is prohibited from being disseminated to any retail client or person other than the recipient.

## Taxable model



Asset Allocation (% Equities/ % Fixed Income)	Performance Total Return (%)			
	3 months	Year to Date	1 year	Since Inception (annualized)
<b>0/100 Portfolio</b>	<b>0.9</b>	<b>4.5</b>	<b>4.5</b>	<b>4.3</b>
0/100 Benchmark	1.1	5.2	5.2	3.9
<b>10/90 Portfolio</b>	<b>1.1</b>	<b>5.9</b>	<b>5.9</b>	<b>5.5</b>
10/90 Benchmark	1.3	6.7	6.7	5.2
<b>20/80 Portfolio</b>	<b>1.4</b>	<b>7.1</b>	<b>7.1</b>	<b>6.3</b>
20/80 Benchmark	1.4	8.5	8.5	6.4
<b>30/70 Portfolio</b>	<b>1.6</b>	<b>8.3</b>	<b>8.3</b>	<b>7.1</b>
30/70 Benchmark	1.5	10.2	10.2	7.6
<b>40/60 Portfolio</b>	<b>1.8</b>	<b>9.5</b>	<b>9.5</b>	<b>8</b>
40/60 Benchmark	1.7	11.9	11.9	8.7
<b>50/50 Portfolio</b>	<b>2</b>	<b>10.5</b>	<b>10.5</b>	<b>9</b>
50/50 Benchmark	1.8	12.9	12.9	10.1
<b>60/40 Portfolio</b>	<b>2.1</b>	<b>11.6</b>	<b>11.6</b>	<b>10.1</b>
60/40 Benchmark	1.9	14	14	11.5
<b>70/30 Portfolio</b>	<b>2.2</b>	<b>12.7</b>	<b>12.7</b>	<b>11.3</b>
70/30 Benchmark	2.1	15	15	12.9
<b>80/20 Portfolio</b>	<b>2.3</b>	<b>13.8</b>	<b>13.8</b>	<b>12.4</b>
80/20 Benchmark	2.2	15.9	15.9	14.3
<b>90/10 Portfolio</b>	<b>2.4</b>	<b>14.8</b>	<b>14.8</b>	<b>13.5</b>
90/10 Benchmark	2.3	16.9	16.9	15.6
<b>100/0 Portfolio</b>	<b>2.5</b>	<b>15.8</b>	<b>15.8</b>	<b>14.5</b>
100/0 Benchmark	2.4	17.7	17.7	16.9

Benchmark performance information is based on returns data from FactSet as of December 31, 2025. The blended benchmarks consist of the MSCI US Index for the respective stock allocation and Bloomberg Barclays US Aggregate Bond Index for the respective bond allocation. In risk levels where bond allocations are 70% or greater, the Bloomberg 1-3 Year U.S. Treasury Index is blended with the Bloomberg Barclays US Aggregate Bond Index for the respective bond allocation. At the 30% stocks/ 70% bonds allocation, the Bloomberg US Aggregate Bond Index represents 65% of the bond allocation, and the Bloomberg 1-3 Year U.S. Treasury Index represents 35% of the bond allocation. At the 20% stocks/ 80% bonds allocation, the Bloomberg US Aggregate Bond Index represents 35% of the bond allocation, and the Bloomberg 1-3 Year U.S. Treasury Index represents 65% of the bond allocation. At the 10% stocks/ 90% bonds allocation, the Bloomberg US Aggregate Bond Index represents 10% of the bond allocation, and the Bloomberg 1-3 Year U.S. Treasury Index represents 90% of the bond allocation. At the 100% bonds allocation, the Bloomberg 1-3 Year U.S. Treasury Index represents 100% of the bond allocation.

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