

NextCapital Advisers, Inc.

Form CRS Customer Relationship Summary Disclosure

March 30, 2022

NextCapital Advisers, Inc. is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ. It is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me? We offer discretionary and non-discretionary investment advisory services to retail investors and plan participants investing through employer-sponsored retirement accounts. The primary service we offer retail investors is investment advice distributed through a digital platform (also known as “robo-advice”) subject to a “wrap fee” (see “*What fees will I pay?*” below). For our discretionary managed account services, and for as long as you are enrolled in the services, we make the investment decisions for you based on your investment objectives and risk tolerance. For our non-discretionary investment advisory services, we provide advice and recommendations to a commercial partner who is authorized through an agreement with you to make the ultimate decision whether to buy or sell securities based on our recommendations. Based on the investment advisory services selected, we generally provide advice about exchange-traded funds (“ETFs”) and under certain circumstances offer guidance on mutual funds, collective investment trusts (“CITs”), and other investment products. For employer-sponsored managed accounts (e.g., managed 401(k)), we will use an investment lineup approved by your plan. In certain arrangements, we prepare advice that is tailored to your particular investment goal, such as retirement, but this advice is considered and delivered by a third-party intermediary. When we do so for employer-sponsored accounts, we typically will act as an investment manager or co-fiduciary investment adviser, as contemplated by Sections 3(21) and 3(38) of ERISA. We neither make available all investment products in the market nor necessarily seek to utilize the least expensive investment products.

A proprietary algorithm is used to execute the investment advisory services, including to manage individual client accounts, generate recommended portfolios, and invest and rebalance accounts. In providing the investment advisory services, we rely on data directly provided by you to inform your investment goals. As such, if we are provided with inaccurate or false information or if you fail to update your account by submitting changes to your profile and objectives, the quality and applicability of the investment advisory services will be materially impacted. Information, other than that collected in your profile, is not considered in generating investment recommendations. We periodically monitor your account as part of our investment advisory services. Your account is reviewed at least annually. Your account will also be reviewed and adjusted in those instances where your account is identified to fall outside of an established advice range. Our investment advisory services have minimum investment requirements. Your advisory relationship with us is subject to the terms of the advisory agreement that you sign and does not begin until the agreement is accepted by us.

For additional information about our investment advisory services, please see our firm brochures, which are available at <https://adviserinfo.sec.gov/firm/brochure/173996>.

Questions to guide your conversations with us:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay? We typically charge quarterly asset-based fees based on an agreed-upon percentage of the assets held in your account. The frequency of such billing (e.g., quarterly or monthly) and the standard fee varies by the investment advisory services selected. Because the fee is typically based on the value of your account, we have an incentive to encourage you to increase the assets in your account. Some investment advisory services are subject to a wrap fee, which covers the cost of: (i) our advice; (ii) the custody of assets; and (iii) execution of most transactions. Depending on the amount of trading in your account, paying a wrap fee could cost more or less than separately paying for each transaction. You will also incur transaction charges, such as commissions, markups, markdowns, and dealer spreads, on trades for your account, including in wrap fee arrangements when we place trades with a

broker-dealer other than the custodian, as well as a proportionate share of an investment product's expenses, such as investment management fees, distribution fees, fees associated with shareholder services, and other fees. These expenses are an additional expense to you and not covered by the fees or charges described above.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional information about our investment advisory fees, please see our firm brochures, which are available at <https://adviserinfo.sec.gov/firm/brochure/173996>.

Questions to guide your conversations with us:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? When we act as your investment adviser, we have a duty to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means.

Commercial Partner Relationships / Investors: We have commercial partner agreements with several large financial institutions who also provide (either directly or through their affiliates) investment products and investment advisory or brokerage services, as well as other administrative services such as recordkeeping. Some of these large financial institutions also have an equity interest in our parent company, NextCapital Group. Due to their financial interest in our parent company, the fees you pay to us will in some instances benefit our commercial partners and/or their affiliate(s). This creates an incentive for these commercial partners to promote their investment products for utilization within our own investment advisory services.

For additional information about our conflicts of interest, please see our firm brochures, which are available at <https://adviserinfo.sec.gov/firm/brochure/173996>.

Questions to guide your conversations with us:

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money? Our financial professionals are provided a base salary, incentive stock options (ISOs), and some are eligible for bonus compensation. However, neither ISO grants nor bonus compensation are directly tied to the performance or amount of client assets we manage.

Do you or your financial professionals have legal or disciplinary history? No. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Questions to guide your conversations with us:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

How to find additional information: For additional information about our investment advisory services, please see our firm brochures, which are available at <https://adviserinfo.sec.gov/firm/brochure/173996>. You can also request up-to-date information and request a copy of this Form CRS by contacting us at: compliance@nextcapital.com.

Questions to guide your conversations with us:

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?