SEC Asset Management Advisory Committee
Evolution of Advice Subcommittee
July 7, 2021

Jay Lipman, President, Co-founder & CCO, Ethic Inc.
Intro to Ethic
Ethic is a tech-enabled, sustainable asset manager that builds personalized portfolios unique to each client’s financial criteria and values.

**What we do**

We create passive equity Separately Managed Accounts (SMAs) and Models personalized based on values and optimized for financial inputs.

**How we do it**

We use direct indexing to create a clean passive equity strategy that closely tracks the performance of existing indexes, such as the S&P 500.

Ethic is an SEC Registered Investment Adviser. See full disclosure at the end of this presentation.
Ethic’s core customer segments:

<table>
<thead>
<tr>
<th>Advisors</th>
<th>Networks</th>
<th>Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIAs</td>
<td>TAMPs</td>
<td>Consultants</td>
</tr>
<tr>
<td>MFOs</td>
<td>Platforms</td>
<td>Banks</td>
</tr>
<tr>
<td>Broker Dealers</td>
<td>Aggregators</td>
<td>Foundations</td>
</tr>
</tbody>
</table>

ethic.
100% of our $1BN+ in assets is invested in sustainable strategies addressing 19 of the great challenges facing the world today

Team
We're a team with institutional investing, technology, data and design expertise representing over 15 countries

Traction
We've been on our mission for 5 years and now manage $1BN+ of sustainable investments

Impact
We address 19 of the great challenges facing the world in our portfolios, from climate change to women's rights to racial justice

Asset and team metrics as of June 1, 2021
Personalized investing
Investor expectations are rapidly growing and delivering a personalized offering is the new norm.

<table>
<thead>
<tr>
<th>Legacy expectation</th>
<th>Managing money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established expectation</td>
<td>Managing money</td>
</tr>
<tr>
<td>Emerging expectation</td>
<td>Managing money</td>
</tr>
</tbody>
</table>
Technology can power efficiency and scale throughout the lifecycle of investment personalization.
Technology and data science allow us to translate individual investor preferences into tax optimized, values-aligned SMAs.
Considerations
Potential considerations when it comes to personalized investing technology throughout the investment lifecycle

- What new applications of data or standards for use of information should be considered as more personal data (social) is available publicly?
- What detail or types of information would be most useful to investors in assessing and comparing personalized investments, including against traditional products?
- How can investors assess their personalized choices over time?
Potential considerations when it comes to personalized investing technology throughout the investment lifecycle

- How can regulators promote transparency into the creation of personalized investment portfolios without stifling innovation?
- What reporting might asset managers for personalized investment products that differs from other investments?
Disclosures

Ethic Inc. is an SEC Registered Investment Adviser located in New York, NY. Registration of an investment adviser does not imply any level of skill or training. Information pertaining to Ethic Inc's registration or to obtain a copy of Ethic Inc.'s current written disclosure statement discussing Ethic Inc.'s business operations, services and fees is available on the SEC's Investment Adviser Public Information website – www.adviserinfo.sec.gov or from Ethic Inc. upon written request at support@ethicinvesting.com.

Information provided herein is for informational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Any subsequent, direct communication by Ethic Inc. with a prospective client shall be conducted by a representative of Ethic Inc. that is either registered or qualifies for an exemption or exclusion from registration in the state where a prospective client resides. Information contained herein may be carefully compiled from third-party sources that Ethic Inc. believes to be reliable, but Ethic Inc. cannot guarantee the accuracy of any third-party information.

Ethic Inc. does not render any legal, accounting, or tax advice. Ethic Inc. recommends all investors seek out the services of competent professionals in any of the aforementioned areas. Ethic Inc. cannot provide any assurances that any investment strategies, simulations, etc. will perform as described in our materials. **ALL INVESTMENTS INVOLVE RISK, ARE NOT GUARANTEED, AND MAY LOSE VALUE. BE SURE TO FIRST CONSULT WITH A QUALIFIED FINANCIAL ADVISER AND/OR TAX PROFESSIONAL BEFORE IMPLEMENTING ANY STRATEGY.**