



FIRM BROCHURE

PART 2A OF FORM ADV

March 28, 2024

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Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of Ethic Inc. ("Ethic," "we," or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (646) 604-2440 or by email at: compliance@ethic.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Ethic is a registered investment adviser with the SEC; however, such registration does not imply a certain level of skill or training, and no inference to the contrary should be made.

Additional information about Ethic is also available on the SEC's website at www.adviserinfo.sec.gov. Ethic's CRD number is: 282827.

Item 2: Material Changes

Ethic would like to report the following material changes since the last annual update, dated March 31, 2023:

Summary of Material Changes:

1. Item 8(b) was updated to reflect an additional material risk (Individualized Construction Trading Risk).
2. Item 10 was updated to reflect that UBS Financial Services Inc. was added as a custodian, which creates a potential conflict of interest.
3. Item 12 was updated to reflect the additional custodians that have integrated with Ethic.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Ethic Inc. (hereinafter “Ethic”) is a corporation organized in the State of Delaware and located in the State of New York. Ethic was founded in January 2015 by Douglas Scott, Jordan Lipman, and John Mair. Ethic is a technology-driven asset manager that delivers personalized investment solutions.

B. Types of Advisory Services

Portfolio Management Services

Ethic offers ongoing portfolio construction and management services based on the investment objectives and risk tolerance of its portfolio management clients (“Portfolio Management Clients”). Portfolio construction and management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Asset and security selection
- Risk tolerance
- Regular portfolio monitoring

Ethic generally requests discretionary authority from Portfolio Management Clients, which allows it to select securities and execute transactions without requiring permission prior to each transaction, so long as such execution is consistent with the stated investment objectives of the Portfolio Management Client. If Ethic’s authority is non-discretionary, we will make recommendations to the Portfolio Management Client, and depending on the terms of the agreement, either Ethic or the Portfolio Management Client will be responsible for execution of the transactions.

Financial guidelines and/or sustainability objectives for the implementation and management of a particular Portfolio Management Client strategy are generally provided via an investment strategy statement. Within the construct of an investment strategy statement, Ethic seeks to provide that investment management decisions are made in accordance with any fiduciary duties owed to its Portfolio Management Clients without consideration of Ethic’s economic, investment, or other financial interests. To meet its obligations, Ethic attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain Portfolio Management Client portfolios, and accordingly, Ethic’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its Portfolio Management Clients to avoid favoring one Portfolio Management Client over another over time. Ethic’s policy is to allocate investment opportunities and transactions it identifies as appropriate and prudent among its Portfolio Management Clients on a fair and equitable basis over time.

Portfolio Management Clients can choose from Ethic Custom solutions, Ethic Market Theme solutions, and Ethic Active Tax solutions. Ethic Market Theme solutions include sustainability screens preset by Ethic and generally have lower investment minimums than Ethic Custom solutions. Ethic Custom solutions allow Portfolio Management Clients more flexibility in individualizing their strategy settings, including sustainability preferences. Ethic Active Tax solutions utilize active, event-based tax loss harvesting and tax transitions to seek to achieve additional after-tax performance. Ethic’s Custom solutions and Ethic Market Theme solutions can also incorporate Ethic Active Tax solutions.

Sub-adviser Services

Ethic provides technology, research, and resources to other registered investment advisory firms that are not affiliated with Ethic (“Adviser Clients”). Adviser Clients utilize Ethic’s systems and resources to assist them with portfolio research and design for their clients’ (“End Clients”) investment needs.

Ethic's technology-centric portfolio creation engine is underpinned by two key models:

- The Sustainability Model aggregates a number of sources of raw sustainability data points at the issuer-level (company-level) and analyzes the data within the context of the spectrum of environmental, social, and governance ("ESG") risks and opportunities.
- The Financial Optimization Model is powered by a multi-factor optimization engine, the MSCI Barra Optimizer ("Barra"), to minimize tracking error (active risk) relative to the underlying benchmark. Barra has a quantitative modeling approach that helps manage portfolio objectives and has strict protocols to ensure the integrity of its financial models and analyses.

Ethic also provides its Adviser Clients and End-Clients access to a proprietary technology platform that delivers continuous reporting. Additionally, account statements are generally provided directly to End Clients by the qualified custodian(s) which directly custody the investment assets.

Adviser Clients can choose from Ethic Custom solutions, Ethic Market Theme solutions, and Ethic Active Tax solutions. Ethic Market Theme solutions include sustainability screens preset by Ethic and generally have lower investment minimums than Ethic Custom solutions. Ethic Custom solutions allow Adviser Clients and End Clients more flexibility in individualizing their strategy settings, including sustainability preferences. Ethic Active Tax solutions utilize active, event-based tax loss harvesting and tax transitions to seek to achieve additional after-tax performance. Ethic's Custom solutions and Ethic Market Theme solutions can also incorporate Ethic Active Tax solutions for an additional fee (see Item 5: Fees and Compensation below).

When an Adviser Client creates and/or determines a strategy for their End Client, the Adviser Client will generally provide Ethic the financial guidelines and sustainability objectives for the implementation and management of the strategy via an investment strategy statement.

For sub-advisory relationships, Ethic's management of the strategy on the Adviser Client's behalf will be conducted on a discretionary sub-advisory basis. To do this, Adviser Clients and their End Clients grant Ethic access to execute trades in the accounts where the investment assets are custodied.

Model Manager Services

Ethic can provide model manager services to Adviser Clients by providing them with systems and resources to assist them with model portfolio research and design for their End-Clients' investment needs.

Ethic's technology-centric portfolio creation engine is underpinned by two key models:

- The Sustainability Model aggregates a number of sources of sustainability data points at the issuer-level (company-level) and analyzes the data within the context of the spectrum of ESG risks and opportunities.
- The Financial Optimization Model is powered by a multi-factor optimization engine, the MSCI Barra Optimizer ("Barra"), to minimize tracking error (active risk) relative to the underlying benchmark. Barra has a quantitative modeling approach that helps manage portfolio objectives and has strict protocols to ensure the integrity of its financial models and analyses.

When an Adviser Client creates and/or determines a strategy for their model portfolio the Adviser Client will generally provide Ethic the financial guidelines and sustainability objectives for the implementation and management of the strategy via an investment strategy statement.

For model manager services, Ethic's management of the strategy on the Adviser Client's behalf will be conducted on a discretionary basis and result in a model portfolio delivered to the Adviser Client. Trading and oversight of individual End Client accounts will be the sole responsibility of the Adviser Client. Ethic will have no access to End Client accounts at the respective custodians.

Portfolio Management Clients and Adviser Clients are hereinafter referred to as "Clients."

Educational Seminars/Workshops

Ethic provides educational seminars and workshops for Clients and prospective Clients. These are general in nature and focused on various sustainability and ESG related topics. No personalized advice is provided to attendees. These seminars and workshops are currently offered at no charge.

Services Limited to Specific Types of Investments

Ethic generally limits its investment portfolios to securities of both U.S. and non-U.S. companies, although Ethic primarily utilizes individual equities. Ethic also uses other securities to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

For Portfolio Management, Sub-adviser, and Model Manager Services, Clients provide input of their (or their End Clients') sustainability and/or financial preferences, which are collated into a format used by Ethic's portfolio construction engine. Portfolios are then managed on an ongoing basis through the Ethic investment platform. Portfolios are monitored and maintained in line with such Client preferences.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Ethic can serve as a portfolio manager for wrap fee programs sponsored by other unaffiliated investment advisory firms (also referred to as wrap fee programs sponsors). These wrap fee program sponsors hire Ethic to manage assets within the wrap fee programs in the same manner described in the Sub-adviser Services section above. For providing this service as portfolio manager, Ethic would charge Portfolio Management Fees to the wrap fee program sponsors. More information on Ethic's fees can be found in Item 5: Fees and Compensation.

E. Assets Under Management

Ethic has the following assets under management:

Discretionary:	Non-Discretionary:	As of:
\$4,907,799,279	\$0	March 27, 2024

F. Assets Under Advisement

Ethic also advises on (but does not manage) the following assets:

Assets Under Advisement:	As of:
\$78,897,420	March 27, 2024

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

For portfolio management services, Ethic charges up to the following:

Total Assets Under Management	Annual Fees
Assets invested in Ethic Custom solutions	0.40%
Assets invested in Ethic Market Theme solutions	0.20%
Assets invested in Ethic Active Tax solutions	0.20%

Ethic generally uses an average of the daily balance in the Portfolio Management Client's account throughout the billing period, after taking into account deposits and withdrawals, to determine the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable, and the final fee schedule is attached to the applicable agreement. This relationship will be memorialized in an agreement between Ethic and the Portfolio Management Client.

Sub-adviser Services and Model Manager Services Fees

For the discretionary sub-adviser services and model manager services that Ethic provides to Adviser Clients, Ethic charges up to the following:

Total Assets Under Management	Annual Fees
Assets invested in Ethic Custom solutions	0.40%
Assets invested in Ethic Market Theme solutions	0.20%
Assets invested in Ethic Active Tax solutions	0.20%

These fees are generally negotiable, and the final fee schedule is attached to the applicable agreement. These fees are generally deducted directly from the Adviser Clients' End Client's accounts.

Fees charged will not exceed any limit imposed by any applicable regulatory agency. The notice of termination requirement and payment of fees for sub-adviser services will depend on the Adviser Client engaging Ethic as a sub-adviser. This relationship will be memorialized in an agreement between Ethic and the Adviser Client.

B. Payment of Fees

Payment of Portfolio Management Services Fees

Generally, portfolio management fees are withdrawn directly from the Portfolio Management Client's accounts on a quarterly basis. The portfolio management fees are generally paid in arrears and calculated on a daily basis by applying the annualized management fee set forth in the applicable Portfolio Management Client agreement pro rata to the closing market value of each Portfolio Management Client account, as set forth on account records maintained by the applicable custodians. In the event the applicable agreement is either executed at any time other than the first day of the calendar quarter or terminated prior to the last day of the calendar quarter, the fee will be prorated based on the number of days the Portfolio Management Client account's assets were under management.

Payment of Sub-adviser Service Fees

Generally, sub-adviser services fees are calculated daily by applying the annualized management fee set forth in the applicable agreement pro rata to the closing market value of each End Client account, as set forth on account records maintained by the applicable custodians. Sub-adviser fees may be withdrawn from End Clients' accounts or Adviser Clients may be invoiced for such fees, as disclosed in each contract between Ethic and the applicable Adviser Client.

Fee payments are generally assessed in arrears and are due at the end of the calendar quarter. In the event the applicable agreement is either executed at any time other than the first day of the calendar quarter or terminated prior to the last day of the calendar quarter, the sub-adviser service fees will be prorated based on the number of days the End-Client's account assets were under management.

In the event fees are billed in advance, Ethic's sub-advisory fees will be calculated by the Adviser Client during their normal billing process. The calculation is generally performed by applying the agreed upon annual fee rate multiplied by the aggregate fair market value of all applicable assets as measured on the last day of each previous quarter, multiplied by a fraction equal to the actual number of days during the quarter divided by the actual days of the calendar year. Once collected, Adviser Clients are responsible for forwarding to Ethic the amount of fees owed for the sub-advisory services provided.

Payment of Model Manager Services Fees

Generally, model manager services fees are calculated on a quarterly basis, in arrears, and are based on the Aggregate Value (as defined below) of all End Client accounts for the prior quarter, as set forth on account records maintained by the applicable custodian, multiplied by one-quarter of the applicable annualized rate. The Aggregate Value is calculated by averaging the daily account balance (using the closing market value) of each End Client account for which a model portfolio was utilized at any time during the applicable quarter. In the event the applicable agreement is either executed at any time other than the first day of the calendar quarter or terminated prior to the last day of the calendar quarter, the model manager fees will be prorated based on the number of days the End-Client's account was open.

C. Client Responsibility For Third-Party Fees

Clients and End Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Ethic. Please see Item 12: Brokerage Practices of this Brochure.

D. Prepayment of Fees

Ethic generally collects its fees in arrears.

However, when Clients bill in advance, Ethic will mutually determine with the Client if Ethic's fee is to be billed in advance or in arrears. Refunds of fees for Clients will be calculated and processed by the Clients in accordance with their normal billing process. Clients will generally net any refunds owed from future fee payments to Ethic.

E. Outside Compensation For the Sale of Securities to Clients

Neither Ethic nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

Ethic does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a Client.

Item 7: Types of Clients

Ethic generally provides services to the following types of Clients:

- | | |
|-------------------------------------|------------------------------|
| ❖ Individuals | ❖ High-Net-Worth Individuals |
| ❖ Banks and Thrift Institutions | ❖ Investment Companies |
| ❖ Business Development | ❖ Pooled Investment Vehicles |
| ❖ Pension and Profit Sharing Plans | ❖ Charitable Organizations |
| ❖ Corporations or Business Entities | ❖ Other Investment Advisers |

There is a \$750,000 account minimum for a subset of Ethic Custom solutions and a \$250,000 account minimum for its Ethic Market Theme and Ethic Active Tax solutions, however, Ethic reserves the right to waive these account minimums at its discretion.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Ethic's technology driven investment strategies are centered on quantitative analysis.

Ethic's portfolio technology utilizes third-party automated portfolio optimizers which incorporate a number of statistical methods to manage the portfolio's expected risk and return.

Investment Strategies

Ethic uses long term trading. As with most investment strategies, investing in securities involves risk of loss that Clients should be prepared to bear.

B. Summary of Material Risks

Clients should be aware that there is a material risk of loss using any investment strategy and no assurance can be given that the investment activities of a client's account will achieve the investment objectives of such account or avoid losses. Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Below are some risk factors associated with the types of investment strategies and types of securities utilized by Ethic.

Concentration Risk: the concentration of investments can cause a strategy to be susceptible to an increased risk of loss, including losses due to idiosyncratic risks that affect the strategies' investments more than the market as a whole, to the extent that the strategies' investments are concentrated in the securities of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector or asset class.

Cybersecurity Risk: Ethic is a technology company that stores information about its business and Clients. This information may be susceptible to both intentional and unintentional breaches of the systems Ethic has set up to safeguard its information. The risk that information will be exposed can include but is not limited to the malicious actions of third parties to access confidential information and cyberattacks intended to disrupt Ethic's business or inadvertent disclosure of information by an Ethic employee. Moreover, Ethic engages third-party vendors for a variety of services that may have access to stored Client data and other confidential information or may be relied on by Ethic to perform key business functions. If such a third party were to be hacked, a Client's confidential information may be shared, and Ethic may not be able to access key business functions required for it to carry on with its business.

Economic and Political/Regulatory Risk: this type of risk can result in fluctuation in the value of securities due to political, geographical, economic and regulatory changes. Political or regulatory conditions can impact the operational and financial performance of companies, geographies, or industries specifically, as well as the market and benchmark performance as a whole.

Equity Risk: equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions, and the general economic environments.

ESG Data Risk: Ethic uses third-party data providers whose data may be missing, incomplete, or inaccurate. Data that was obtained by third parties can cause Ethic to improperly assess a company's ESG risk. Additionally, ESG practices differ across regions, industries, and as a result, a company's practices may materially differ from Ethic's assessment. Some of the data used at Ethic is predictive based on historical data collected from third parties. Ethic will, in its sole discretion, continue to test models and update the frameworks as it sees fit. There are no assurances that these models are accurate or that they will help Clients achieve their financial objectives. Moreover, changes to the regulatory landscape may curtail Ethic's ability to gather data and implement its sustainability related models.

Health Crises, Pandemics, War, and Terrorism Risk: A Client is subject to the risk that significant events may impact a particular company, a region in which it operates, or impact the entire world. In the past, events like pandemics, terrorist attacks, and wars have influenced markets and have had adverse effects on companies' profits. These events may have negative long-term effects on world economies and markets more generally over the short and long terms. The risk of loss may increase during these periods, and a Client's overall portfolio performance can go down.

Individualized Construction Trading Risk: Ethic uses a third-party automated portfolio optimizer, which incorporates a number of statistical methods to manage the portfolio's expected risk and return. Occasionally, Ethic's model will recommend one or more clients buy a certain security on the same day that the model recommends other clients sell that same security. These differences in advice are due to various factors, including applicable strategy, portfolio construction, and a given client's profile and investment objectives.

These practices create a risk that advice provided to certain clients will prove more profitable than advice given to other clients or that Ethic's advice can result in changes in the market that affect its clients' investments. As a result, certain clients can inadvertently be treated more favorably than others based on the individualized recommendations.

Long-Term Trading Risk: long-term trading is generally designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose Clients to various types of risk that will typically surface at various intervals while the Client owns the investments.

Market Risk: market value changes can result in long term investment strategies losing money over short periods due to short-term market movements and over longer periods during more prolonged market downturns.

Non-U.S. Company Risk: non-US company securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Quantitative Model Risk: Quantitative analysis investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Sustainability Screening Risk: sustainability or other screening criteria limit the types and number of investment opportunities available and, as a result, strategies with screens may underperform other strategies or funds that do not have a sustainable focus or do not require companies to meet a sustainable standard.

Tax-Managed Investing Risk: Ethic's strategies that seek to enhance after-tax performance may be unable to realize strategic gains or harvest losses due to market volatility, among other possible factors.

Tracking Error Risk: tracking error is the divergence of the investment strategies' performance from that of the adviser selected benchmark. Differences between securities selected by the strategy and those included in the selected benchmark, differences in transaction costs, differences in cash held, differences in timing of the accrual of or the valuation of dividends or interest, tax gains or losses contribute to tracking error. This risk may be heightened during times of increased market volatility or other unusual market conditions.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Ethic nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Ethic nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

UBS AG is a minority shareholder of Ethic. UBS AG is the parent company of UBS Financial Services Inc. ("UBS"), one of Ethic's Custodians (see Item 12: Brokerage Practices, below).

FMR LLC is a minority shareholder of Ethic. FMR, LLC is the parent company of Fidelity Brokerage Services LLC ("Fidelity"), one of Ethic's Custodians (see Item 12: Brokerage Practices, below).

Ethic has also entered into an arrangement with Fidelity Investments Institutional Services Company, Inc. and Fidelity Brokerage Services LLC to act as a promoter on behalf of Ethic (see Item 14: Client Referrals and Other Compensation, below).

While Ethic does not have discretion to select custodial firms for Clients or End Clients, Ethic may recommend custodial firms to Clients (see Item 12: Brokerage Practices, below). These relationships create an economic incentive to recommend Fidelity or UBS to Clients for services, so Clients are advised that they are not obligated to use Fidelity or UBS, and to conduct the necessary due diligence to determine which custodial platform is appropriate for its or its End Clients' needs and are free to select any of the available platforms integrated with Ethic.

Ethic has a Client Advisory Council ("CAC"), made up of a subset of Ethic's Clients. The CAC is expected to meet biannually and will seek to help shape Ethic's future strategy and product development. Additionally, Ethic has entered into referral arrangements with some of the CAC members where Ethic will serve as a non-exclusive referral source for the purpose of referring prospective End-Clients to CAC members. Ethic does not receive direct remuneration from CAC members for these referrals. Ethic, however, is indirectly compensated for these referrals since these referral relationships create an incentive for CAC members to continue to be a part of the CAC and enhance their and their End-Client's relationship with Ethic.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Ethic does not select third-party investment advisers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

Ethic has adopted a written Code of Ethics (the "Code"), pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code sets forth the high ethical standards of business conduct that Ethic requires from any of its employees and any other person who provides investment advice on behalf of Ethic and is subject to its supervision and control (referred to as "Supervised Persons").

Ethic has a fiduciary duty to its Clients and all of its and its Supervised Persons' investment activities are subject to this fiduciary duty. The Code requires all Supervised Persons to adhere to the highest ethical standards in dealing with Clients and to disclose all potential conflicts of interest to Ethic's Chief Compliance Officer ("CCO"). Supervised Persons must refrain from engaging in any activity or having a personal interest that presents a material conflict of interest with Ethic's Clients. A conflict of interest can arise whenever a Supervised Person takes an action or has an interest that makes it difficult for them to perform their duties and responsibilities honestly and objectively. All Supervised Persons are provided with a copy of the Code and must certify that they have received it and agree to comply with its provisions upon hire and annually thereafter. Supervised Persons are instructed to promptly report any suspected violations of the Code to the CCO.

Specifically, Ethic's Code imposes reporting obligations and trading restrictions on Supervised Persons and their immediate family members related to personal securities transactions. Supervised Persons must submit an initial securities holdings report to the CCO (or designee) upon hire and quarterly thereafter. The Code also requires the prior approval of (i) any acquisition of securities in a private placement or an initial public offering and (ii) any purchase or sale in American Depositary Receipts.

The Code includes policies and procedures in the following areas: Outside Business Activities, Gifts and Entertainment, Political Contributions, Misappropriation of Material Non-Public Information, Personal Securities Trading, Referral Arrangements, Anti-Money Laundering, Whistleblower Program, and Reporting Violations.

A copy of Ethic's Code is available to any Client or prospective Client upon request by contacting the CCO at compliance@ethic.com.

B. Recommendations Involving Material Financial Interests

Ethic does not recommend that Clients buy or sell any security in which Ethic or a related person has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Ethic may buy or sell securities for themselves that are also utilized in Client portfolios. This may provide an opportunity for representatives of Ethic to buy or sell the same securities before or after purchasing the same securities for Clients. Such transactions may create the appearance of a conflict of interest or representatives profiting off Client transactions. Ethic requires Supervised Persons to provide required personal securities holdings and transaction statements which are reviewed by the CCO (or designee) and will document any transactions that could be construed as conflicts of interest to ensure representatives are not engaging in trading that operates to the Client's disadvantage.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, Ethic and representatives of Ethic may buy or sell securities for themselves at or around the same time as Clients. This may provide an opportunity for representatives of Ethic to buy or sell securities before or after purchasing the same securities for Clients. Such transactions may create the appearance of a conflict of interest or representatives profiting off Client transactions. Ethic requires Supervised Persons to provide required personal securities holdings and transaction statements which are reviewed by the CCO (or designee) and will investigate any transactions that could be construed as conflicts of interest to ensure representatives are not engaging in trading that operates to the Client's disadvantage.

Ethic does not engage in Principal (buys securities for itself from or sells securities it owns to any Client) or Agency Cross Transactions (acts as the broker for Clients of the firm and the other party to the transaction).

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Depending on what works best for their situation, Clients may utilize the following custodians integrated with Ethic's platform: Charles Schwab, Fidelity Investments, Pershing, TD Ameritrade, Interactive Brokers, US Bank, Northern Trust, Morgan Stanley, BNY Mellon, Truist Investment Services, Inc, UBS Financial Services Inc., or National Financial Services LLC. Ultimately, Clients direct Ethic as to which custodian will be used for their accounts.

In determining which broker/dealers or custodians to integrate, Ethic considers execution abilities, transaction costs, accuracy, responsiveness, financial stability, etc. Ethic may also consider the market expertise and research access provided by the broker/dealer or custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences, and other resources provided by the brokers that may aid in Ethic's research efforts.

Research and Other Soft-Dollar Benefits

While Ethic has no formal soft-dollar program in which soft-dollars are used to pay for third-party services, Ethic may receive compensation from a custodian/brokerage firm in the form of research, products, or other services in connection with Client securities transactions ("soft-dollar benefits"). Ethic may enter into soft-dollar arrangements

consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Ethic does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Ethic benefits by not having to produce or pay for the research, products or services, and Ethic will have an incentive to recommend a custodian based on receiving research or services. Clients should be aware that Ethic's acceptance of soft dollar benefits may result in higher commissions charged to the client.

Additionally, Ethic may receive soft dollar compensation from custodians it works with in the form of non-research services, which include services that help us manage or administer our Clients' accounts or help us manage and grow our business. Some of the products, services and other benefits provided benefit us (or other Clients) and may not benefit you or your account. A recommendation that you place assets with one of these custodians may be based in part on benefits they provide us and not solely on the nature, cost, or quality of custody and execution services provided, which creates a conflict of interest.

Brokerage for Client Referrals

Ethic receives no referrals from a broker/dealer or third party conditioned upon using that service provider.

Ethic engages in solicitor/referral arrangements with third parties that also provide brokerage and/or custodial services to certain Clients or End Clients (see item 10(C) above and 14(B) below.) This creates an economic incentive to recommend specific broker/dealers or custodians for services, so Clients are advised to conduct the necessary due diligence to determine which platform is appropriate for its or its End Clients' needs and are free to select any of the available platforms integrated with Ethic.

Clients Directing Which Broker/Dealer/Custodian to Use

Ethic generally recommends custodians but does not have the ability or authority to select broker/dealers to execute trades on behalf of Clients. Ethic is generally only authorized to execute trades through the specified broker/dealer affiliated with the custodian selected by the Client. As such, the Client is responsible to negotiate terms and arrangements for the account and Ethic will not seek better execution services or prices from other broker/dealers. While we may batch orders for execution for accounts held with the same custodian, we are unable to batch Client transactions for execution across other broker/dealers with orders for other accounts managed by Ethic, which may result in higher commissions and less favorable prices (particularly for illiquid securities or during volatile market conditions). As noted above, Ethic may engage in solicitor/referral arrangements with third parties that also provide brokerage and/or custodial services to Clients or End Clients. This creates a conflict of interest, so Clients are advised to conduct the necessary due diligence to determine which service provider to use and are free to select any of the available platforms integrated with Ethic.

In two scenarios, however, Ethic will have the ability or authority to select broker/dealers to execute trades to implement the selected investment strategy: (1) when serving as a portfolio manager for a wrap fee program; or (2) when executing trades for Clients that custody at certain custodians. In both scenarios, Ethic understands its fiduciary duty to seek best execution. As such, Ethic shall execute securities transactions in such a manner that the total cost or proceeds in each transaction is most favorable under the circumstances of the particular transaction. While it is Ethic's general practice to transact business with dealers that Ethic's due diligence has identified as having an established history of providing generally favorable bids and/or offers on security transactions consistent with the settlement date needs of its Clients, Ethic is not obligated to choose the broker/dealer offering the lowest available commission rate or price if, in the trader's reasonable judgment more favorable execution can be achieved elsewhere. In seeking best execution and negotiating commission rates, the commission cost is one factor Ethic considers. Other factors include, but are not limited to, price, quality, speed, efficiency, confidentiality, reliability of brokerage services, execution capability, a firm's financial responsibility, the difficulty of specific transactions, and any other logistical or processing considerations.

B. Aggregating (Block) Trading for Multiple Client Accounts

If Ethic buys or sells the same securities on behalf of more than one Client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple Clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such cases, Ethic would place an aggregate order with a broker on behalf of applicable Clients in order to ensure fairness for those Clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy.

Item 13: Review of Accounts**A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All Client accounts for Ethic's advisory services provided on an ongoing basis are reviewed periodically by Ethic's portfolio management team with regard to Clients' respective investment strategy statements. All accounts at Ethic are assigned to the portfolio management team.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Non-periodic reviews are only performed if there is a question as to whether a Client's account is being managed in line with the selected inputs.

C. Content and Frequency of Regular Reports Provided to Clients

Clients and other advisory firm End Clients receive a quarterly statement detailing the client's account, including assets held, asset value, and calculation of fees. This written statement is prepared by their respective custodian.

Item 14: Client Referrals and Other Compensation**A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Ethic only receives compensation via its advisory arrangements directly with its Clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

Ethic has entered into written arrangements with third parties for them to act as a promoter for Ethic's investment management services. The conflicts of interest in relation to this arrangement are disclosed in Item 10(C), above. Referral relationships are fully disclosed to each Client to the extent required by applicable law. Ethic will monitor to ensure any promoter with whom it is engaged under this type of arrangement is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-1 under the Advisers Act, where applicable.

Item 15: Custody

When advisory fees are deducted directly from End Client accounts at the custodian, Ethic will be deemed to have limited custody of End Client's assets solely for this purpose and must be granted authorization by End Client to do so. All Clients and End Clients will receive account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

Ethic primarily provides discretionary investment advisory services to Clients. The advisory contract established with each Client sets forth the discretionary authority for trading. Where investment discretion has been granted,

Ethic generally manages the Client's accounts and makes investment decisions without consultation with the Client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Ethic's discretionary authority in making these determinations may be limited by conditions imposed by a Client (in investment guidelines or objectives, or Client instructions otherwise provided to Ethic).

Item 17: Voting Client Securities (Proxy Voting)

Ethic may accept proxy voting authority for Client and End Client securities. Until proxy voting is accepted by Ethic in writing, Clients and End Clients will receive proxies directly from the issuer of the security or the custodian and all proxy questions should be directed to the issuer of the security.

When Ethic accepts proxy voting responsibilities, Ethic will utilize a sustainability-focused proxy voting policy for Clients and their End Clients. This is consistent with our sustainability driven technology platform.

While it is unlikely that we will have a material conflict when voting proxies, a conflict could arise from time to time. Resolution of conflicts are generally addressed in the following manner, including, but not limited to: 1) Documenting how votes were cast in the interest of the Client; 2) Informing the Client to obtain objective third-party advice; and/or 3) Obtaining Client's informed consent to vote a proxy in a specific manner. When seeking a Client's consent, we will provide the Client with sufficient information regarding the matter and the nature of the conflict to enable the Client to make an informed decision. There may be times when refraining from voting a proxy is in the Client's best interest, such as, but not limited to, when the cost of voting exceeds the expected benefit to the Client.

Ethic's proxy voting policy, platform, or voting method may change at any time at Ethic's sole discretion. Clients may at any time request a copy of Ethic's current voting methods, or past voting history for adviser's accounts by emailing compliance@ethic.com or their respective Ethic relationship management team member's email address.

Item 18: Financial Information

A. Balance Sheet

Ethic neither requires nor solicits prepayment of more than \$1,200 in fees per Client, six months or more in advance, and therefore is not required to include a balance sheet with this Brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Ethic nor its management has any financial condition that is likely to reasonably impair Ethic's ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Ten Years

Ethic has not been the subject of a bankruptcy petition in the last ten years.