

Ethic Inc.

Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Ethic Inc. If you have any questions about the contents of this brochure, please contact us at (415) 747-1326 or by email at: d.scott@simplifund.me. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Ethic Inc. has the following material changes to report. This list summarizes changes to policies, practices or conflicts of interests only.

- The firm name has changed from Simplifund Inc to Ethic Inc.

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Item 4: Services Fees and Compensation

Ethic Inc. (hereinafter "Ethic Inc.") offers the following services to advisory clients:

A. Description of Services

Ethic Inc. participates in and sponsors a wrap fee program, which allows Ethic Inc. to manage client accounts for a single fee that includes both portfolio management services and brokerage costs. The fee schedule is set forth below:

Total Assets Under Management	Annual Fee
All Assets	1.00%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract. Ethic Inc. uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals. Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in arrears. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with immediately upon written notice.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as ETF fees or mutual fund fees.

D. Compensation of Client Participation

Neither Ethic Inc., nor any representatives of Ethic Inc. receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been

received if client paid separately for investment advice, brokerage, and other services. Therefore, Ethic Inc. may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

Ethic Inc. generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

Ethic Inc. will not select any outside portfolio managers for management of this wrap fee program. Ethic Inc. will be the sole portfolio manager for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

Ethic Inc. will use industry standards to calculate portfolio manager performance.

2. Review of Performance Information

Ethic Inc. reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly by Ethic Inc.

B. Related Persons

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and Ethic Inc. will not select any related persons as portfolio managers for this wrap fee program.

C. Advisory Business

Ethic Inc. offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

Wrap Fee Portfolio Management

Ethic Inc. provides “robo-advisory” portfolio management services via an online interface. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are customized to each client and based on individual characteristics, including risk tolerance and expected duration until retirement, among others.

Performance-Based Fees and Side-By-Side Management

Ethic Inc. 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.

Services Limited to Specific Types of Investments

Ethic Inc. generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs, treasury inflation protected/inflation linked bonds and non-U.S. securities, although Ethic Inc. primarily recommends ETFs and mutual funds to a majority of its clients. Ethic Inc. may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

Ethic Inc. will use model portfolios based on client-specific information, including but not limited to risk preferences and expected duration until retirement, through its interactive website to tailor a program for each individual client.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Ethic Inc. from properly servicing the client account, or if the restrictions would require Ethic Inc. to deviate from its standard suite of services, Ethic Inc. reserves the right to end the relationship.

Wrap Fee Programs

Ethic Inc. sponsors and acts as portfolio manager for this wrap fee program. Ethic Inc. manages the investments in the wrap fee program. The fees paid to the wrap account program will be given to Ethic Inc. as a management fee.

Amounts Under Management

Ethic Inc. has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	February 2016

Methods of Analysis and Investment Strategies

Ethic Inc.'s methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, and modern portfolio theory.

Modern portfolio theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

Ethic Inc. uses long term trading and short term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Material Risks Involved

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment

returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

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.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Non-U.S. 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.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Proxies

Ethic Inc. will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7: Client Information Provided to Portfolio Managers

Ethic Inc. is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by Ethic Inc. As that information changes and is updated, Ethic Inc. will have immediate access to that information once collected.

Item 8: Client Contact with Portfolio Managers

Ethic Inc. places no restrictions on client ability to contact its portfolio managers. Ethic Inc.'s representative, Jordan Lipman can be contacted during regular business hours and contact information is on the cover page of Jordan Lipman's Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Disciplinary Actions

There are no criminal, civil, administrative, or self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

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

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

Neither Ethic Inc. nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Neither Ethic Inc. nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

Ethic Inc. does not utilize nor select other advisors or third party managers. All assets are managed by Ethic Inc. management.

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

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

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Ethic Inc. may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Ethic Inc. to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Ethic Inc. will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of Ethic Inc. may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Ethic Inc. to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Ethic Inc. will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Frequency and Nature of Reviews & Reports

Client accounts are reviewed at least quarterly by Jordan Lipman, CCO. All accounts at Ethic Inc. are assigned to this reviewer. Non-periodic reviews may be triggered by material market, economic or political events.

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

***Economic Benefits Provided by Third Parties for Advice Rendered to Clients
(Includes Sales Awards or Other Prizes)***

Ethic Inc. does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Ethic Inc. clients.

Compensation to Non – Advisory Personnel for Client Referrals

Ethic Inc. does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

Ethic Inc. does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither Ethic Inc. nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

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