

ADV 2A Appendix 1: Wrap Fee Client Brochure

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Item 1: Cover Page

This Wrap Fee Program brochure provides information regarding the qualifications, business practices, and processes of EthicAlpha. If you have any questions about the contents of this Brochure please contact us at the phone number listed above, or at info@ethicalalpha.com.

EthicAlpha is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about EthicAlpha is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There have been no material changes since the initial submission and acceptance of this Wrap Fee Program Brochure, dated August 4th, 2016.

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General Information

EthicAlpha offers a Wrap Fee Program to prospective and current clients. EthicAlpha is a corporation organized under Delaware law, and is a SEC Registered Investment Adviser. EthicAlpha is a sponsor of the Wrap Fee Program. In a wrap fee based advisory account a client pays a single monthly fee of \$19.95, bundling the costs of transactions with the costs of advisement. EthicAlpha uses a wrap fee program to simplify fees to our clients and provide greater transparency as to what the client's costs will be. Our wrap fee accounts are managed on an individualized basis taking into account the client's investment objective, financial goals, risk tolerance, and ethics.

Program Description and Investment Strategy

EthicAlpha is powered by a number of machine learning algorithms referred to as a "neural networks". This "smart" software will adapt itself to fit the needs of each client, taking into account fundamental analysis of publicly traded companies, diversification, investment goals, objectives, time horizon, liquidity needs, and risk tolerance. Taking these considerations into account EthicAlpha's algorithms will generate and regularly rebalance the client's portfolio to ensure a diversified set of assets that aligned to the client's needs communicating to the client the intuition behind each investment decision. When a client updates their information EthicAlpha's algorithms will adapt in real time to the changing client needs.

EthicAlpha's learning algorithms are based on a two part process. First; quantitative and qualitative analysis is done applying a long term value based investing approach using fundamental analysis. Second; EthicAlpha then identifies assets that align with a client's individual needs, risk tolerance, and ethics.

In the first step we attempt to measure the intrinsic value of a security by looking at economic, financial, management, and growth metrics to determine if the company is undervalued by the market.

In the second step we attempt to match assets we believe undervalued in the market to the individual needs of each client. This is done based on the results of the client questionnaire matching their risk tolerance, investment objectives, and personal ethics. EthicAlpha measures personal ethics using industry accepted metrics for Environmental Social Governance (ESG).

Portfolio risk is addressed by measuring portfolio variance in relation to the general market, better known as Beta. EthicAlpha then uses modern portfolio theory to ensure the client is getting the best return for a given level of risk.

Discretion

EthicAlpha manages investments on a discretionary basis. This means that once the adviser and client enter into an advisory agreement, EthicAlpha will make the day-to-day decisions regarding the purpose and sale of securities without obtaining the client's consent for each

individual transaction. Clients may login to our website or via EthicAlpha's mobile app to see changes in their account. Additionally the client will receive monthly statements documenting the changes in their account.

Account Termination

The client and/or the firm may terminate the contract at any time by sending written notice. A full refund will be provided without penalty if the client terminates the contract within five business days of signing with the firm. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract

Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, EthicAlpha and its agent will cease advisory services. For the purposes of account termination email is considered a valid form of written notice

Fees and Compensation

As mentioned previously; EthicAlpha is a sponsor of a Wrap Fee Program, bundling transactions with the costs of advisement for a fixed monthly cost of \$19.95. The monthly fee of \$19.95 is applied regardless of the account size or assets under management.

EthicAlpha is the sponsor of the Wrap Fee Program and will not recommend or utilize any third party wrap fee management programs.

All clients will be charged a flat monthly fee of \$19.95 and will be required to have a minimum account size of \$10,000.00. Our fees are not generally negotiable, but we may at times offer discounts or promotions. The following table gives an example of costs as it relates to assets under management:

Account Size	Monthly Cost	Percentage of Assets Under Management per Annum
\$10,000.00	\$19.95	2.39% percent per annum
\$100,000.00	\$19.95	0.239% percent annum
\$1,000,000.00	\$19.95	0.0239% percent annum

Additionally to clients may wish to update their account to our premium offering. This will incur a one time fee of \$200.00 unless otherwise waived. Upgrading to EthicAlpha's premium offering gives clients access to EthicAlpha's financial planning modules. These modules are designed to help clients address all their financial needs at a deeply discounted price when compared to traditional financial planners. Premium clients are under no obligation and may freely choose the

modules that best suit them. EthicAlpha's financial planning modules are priced using a flat fee per module. The price of a module is determined based on the number of hours it would take a human financial adviser to complete the task. Each hour is then billed at a discounted rate of \$95.00 per hour. For example; a financial planner may bill 3 hours for completing a debt reduction analysis for a client. In the case of EthicAlpha this module would cost \$285.00 (3 hours at \$95.00 per hour).

4.B

The Wrap Fee Program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. EthicAlpha does not charge our clients higher advisory fees based on trading activity, but the client should be aware that EthicAlpha does have an incentive to limit our trading activities because EthicAlpha is charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where trade execution costs are passed directly to you by the executing broker.

4.C

The Wrap Fee Program does not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. In addition, each mutual fund or Exchange Traded Fund (ETF) charges asset management fees, which are in addition to the fees charged by EthicAlpha. The Wrap Fee Program also does not cover any other fees and charges in connection with maintenance of your brokerage account, such as: debit balances; margin interest; off-lot differentials; IRA fees; transfer taxes; exchange fees; wire transfers; extensions; non-sufficient funds; mailgrams; level transfers; bank wires; postage; costs associated with exchanging foreign currencies; and SEC fees or other fees or taxes required by law.

EthicAlpha shall not receive any portion of these commissions, fees, and costs.

4.D

We do not recommend or offer the wrap program services of other providers. Our Investment advisory representatives are solely compensated by salary, our investment advisory representatives do not receive any compensation based on a client's participation in the program.

EthicAlpha's salary structure is designed so that employees are solely incentivized to only make recommendations that are in the best interest of the client.

Item 5: Account Requirements and Types of Clients

The minimum aggregate account value required to engage in our Wrap Fee Program service is \$10,000.00.

We provide service to the following types of clients:

- Individuals
- Trusts, Estates or Charitable Organizations
- Pension and Profit Sharing Plans
- Corporations, Limited Liability Companies and/or Other Business Types

All client accounts are opened and maintained according to an Advisory Agreement between the client and EthicAlpha (each an “Advisory agreement”).

Item 6: Portfolio Manager Selection and Evaluation

EthicAlpha directly manages the portfolio of clients according to each client's Advisory Agreement. There are no portfolio managers with whom EthicAlpha would select.

Summary of EthicAlpha's Advisory Services

EthicAlpha seeks to automate the process of financial advisement through the use of tailored learning algorithms. EthicAlpha's investment strategy focuses on a long term value based approach taking into account goals and objectives, diversification, risk tolerance, liquidity requirements, and ethical alignment between clients and companies.

EthicAlpha offers its investment services via online applications and mobile devices. To use EthicAlpha's services the client and/or their Advisors inform EthicAlpha of their financial goals, current financial situation, and other personal information through EthicAlpha's online application process. EthicAlpha then builds a portfolio of assets based on the information for each of the client's financial goals. Each investment selected by EthicAlpha will provide a list of reasons as to why that asset was specifically selected for the user. This provides a level of transparency to clients, clearly explaining the rationale behind EthicAlpha's recommendations.

For a more in-depth description of how EthicAlpha's learning algorithms work see Item 4, section "Program Description and Investment Strategy".

Client Privacy and Security

EthicAlpha does not collect any other non-public personal information beyond information submitted by the user. All communication is sent over a secure connection using RSA-256 bit encryption, commonly referred to as "bank level" encryption.

Investment Tools

In addition, EthicAlpha's online services provide tools to help clients project expected returns, plan for retirement, understand their risks, access information related to transactions, and review their account's prior performance.

Trade Execution, Account Maintenance, and Asset Custody

In order to open a Wrap Fee Program with EthicAlpha, clients must establish a brokerage relationship with our preferred broker-dealer, Interactive Brokers. By entering into an Advisory Agreement with EthicAlpha, client authorizes and directs EthicAlpha to place all trades in client's account through Interactive Brokers. As such, Interactive Brokers will maintain all client accounts and execute all securities transactions in client accounts. Clients should understand that the appointment of Interactive Brokers as the sole broker for their accounts under this Wrap Fee Program may result in disadvantages to the client as a possible result of less favorable executions than may be available through the use of a different broker-dealer.

Generally, when clients make changes to their accounts during normal stock market hours transactions will be processed as soon as reasonably practicable, while changes clients make to their accounts when markets are closed will be processed the next business day. Transactions

are sometimes subject to processing delays which can cause significant time lapses between the time the clients initiated a change to an account and execution. In particular, processing delays may mean that account changes initiated less than thirty minutes before markets close may not transact until the next business day.

Interactive Brokers will affect aggregated block transactions involving multiple EthicAlpha accounts trading in the same securities. This is done to reduce the cost of transactions which helps to keep the Wrap Fee Program costs low. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order.

Item 7: Client Information Provided to Portfolio Managers

EthicAlpha manages all client portfolio directly, there are no portfolio managers with whom EthicAlpha could share client information.

Item 8: Client Contact with Portfolio Managers

Clients may contact EthicAlpha by phone during normal business hours and via email at info@ethicalalpha.com at any time.

Item 9: Additional Information

Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal, or disciplinary events that would be material to your evaluation of EthicAlpha or the integrity of EthicAlpha's management.

EthicAlpha has no history of disciplinary or legal events.

Other Financial Industry Activities and Affiliations

EthicAlpha does not have any affiliations though common control or ownership with any other investment related firm. However, EthicAlpha's Advisory Board and Executive Management are comprised of wealth managers, retail brokerage experts, and technology and data professionals. Advisers and Executive management include an Analyst, Advisory and Investment Management specialist at Thomson Reuters. Founder; Adam Kunz, with 14 years of experience in operations including product development and strategic investment in the fintech space, and Founder; Stuart Martin; acting as the principal solutions architect with over 10 years in data research. In addition; Stuart is a Registered Investment Adviser with years of personal and professional experience.

Code Of Ethics

EthicAlpha has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on purchasing stocks before advisement of the client to do so (front running), a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at EthicAlpha must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of EthicAlpha may buy or sell securities that are recommended to clients. EthicAlpha's employees and persons associated with EthicAlpha are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of EthicAlpha and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for EthicAlpha's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interest of the employees of EthicAlpha will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of EthicAlpha's clients. In addition, the Code prevents access persons from participating in short swing profits by requiring access persons to hold positions for a minimum of 30 days. EthicAlpha also maintains a restricted list. Securities are added to the restricted list when there is a change in recommendation. Access persons are prohibited from trading any securities

added to the restricted list for 1 business day. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between EthicAlpha and its clients.

EthicAlpha's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Stuart Martin at stuart@ethicalalpha.com.

Review Of Accounts

EthicAlpha's recommendations are based, in part, by the client's ethics. A client can review and update this information at anytime by visiting the EthicAlpha website. Client accounts are not reviewed by EthicAlpha.

The company updates its equity recommendations monthly. EthicAlpha takes into account unique client details and may make additional transactions daily, weekly, monthly, quarterly, or annually to minimize losses due to taxes, commissions and fees. This information is available in each client's account when they log into the EthicAlpha website and communicated regularly to clients on monthly statements.

Client Referrals and Other Compensation

EthicAlpha receives no referral fee or other compensation for a client opening an account. We believe it is EthicAlpha's fiduciary responsibility to seek third parties that will best serve our clients and hence do not seek compensation. EthicAlpha chooses Interactive Brokers as our preferred broker dealer because they offer very cost effective charges on trade commissions when compared to their peers. These savings are passed on to the customer and help to keep EthicAlpha's prices low.

Broker Dealers, including Interactive Brokers, frequently make products or services available to EthicAlpha that benefit the firm but may not directly benefit its client accounts. Many of these products and services are used to service all or a substantial number of EthicAlpha accounts. Some of these products and services provided includes software and other technology that: provides access to client account data (such as trade confirmations and account statements); provides research, pricing and other market data; facilitates payment of fees from clients' accounts; and assets with back-office functions, recordkeeping and client reporting. When client brokerage commissions are used to obtain research or other products or services, EthicAlpha receives a benefit because we do not have to produce or pay for these products or services ourselves. EthicAlpha makes no effort to allocate soft dollar benefits to clients in proportion to the amount of soft dollar benefits generated by each client.

Custody

EthicAlpha does not maintain custody of client funds.

EthicAlpha's preferred broker dealer, Interactive Brokers, serves as the qualified custodian.

Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about EthicAlpha's financial condition. EthicAlpha has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Voting Client Securities

As a matter of firm policy and practice, EthicAlpha does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios.

Investing Risks

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with investment products, please refer to the prospectuses for additional details about these risks. This investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in the interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert and investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial distress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.