

Prosperity Economics Partners, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Prosperity Economics Partners, LLC (hereinafter "PEP" or "the Firm"). If you have any questions about the contents of this brochure, please contact Soth Chin at (202) 503-9669. 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 Prosperity Economics Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Prosperity Economics Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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Item 2. Material Changes

This Item discusses only the material changes that have occurred since PEP's last annual update dated March 2020. The Firm has the following changes to disclose in relation to this item:

- PEP's principal office and place of business is 3712 N. Broadway, Suite 190, Chicago, IL 60613.

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Item 4. Advisory Business

PEP provides consulting and advisory services to individuals. Prior to engaging PEP to provide these services, the client is required to enter into one or more written agreements with PEP setting forth the terms and conditions under which PEP renders its services (collectively the "Agreement").

For advisory services offered by PEP, Investment Adviser Representatives ("IAR") will initially meet with a client to discuss the client's financial situation, personal goals and objectives, risk tolerance, and investment style. It is important that the client provide accurate and complete information to the IAR. The failure to provide such complete information may affect the services being provided. It is the client's obligation to promptly inform the IAR of material changes in the client's financial circumstances or investment objectives to enable the IAR to evaluate whether to change the way the client's account is managed. The IAR may provide advice on an intermittent or periodic basis, such as in response to a client request or notification of a material change in the client's financial situation, in response to a market event, or on a specific date. At such time, the IAR will review the changes with the client and make recommendations as appropriate.

There is no guarantee that the advisory services offered will result in the client's goals and objectives being met. Nor is there any guarantee of profit or protection from loss. The fees and expenses in connection with these advisory services may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular advisory services, investment strategy or fee arrangement will provide better returns than other investment strategies. PEP may provide advisory services to clients through several different types of programs. PEP may recommend participation in one or a combination in two or more programs.

Todd A. Langford is the principal owner of PEP. PEP has been in business as a registered investment adviser since December 27, 2008. PEP is affiliated with Partners for Prosperity, LLC and their affiliation is further described in Item 10, below.

This Disclosure Brochure describes the business of PEP. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of PEP's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on PEP's behalf and is subject to PEP's supervision or control.

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Prosperity Pathway™ Program

The Prosperity Pathway™ is an integrated, five-step program that combines Prosperity Economics with investment strategies and step-by-step implementation aimed at helping clients expand their personal economy. Through the five-step process, PEP seeks to help clients measure and recover opportunity cost, execute strategies for controlling their assets, and implement personalized investment strategies. PEP shall also assist clients in selecting appropriate financial products based on their individual desires.

The Prosperity Pathway™ is a one-year program. Typically, PEP covers the five steps of the program over an initial three-month period. For the remaining term of the engagement, PEP will provide ongoing consulting and support services to its clients. Upon completion of the Prosperity Pathway™ program, clients may engage PEP for ongoing consulting and support services.

Direct Third-Party Money Manager Programs

PEP has established direct "selling agreements" with some third-party money managers or registered investment advisers. PEP refers its clients to select, independent, third-party money managers or registered investment advisers, with which PEP holds a selling agreement. Neither PEP nor IARs of PEP is directly responsible for making specific investment decisions within the portfolios of these third-party money managers. Rather, IARs of PEP will work with clients to help them select a third-party manager. These third-party managers will then be responsible for making the specific investment decisions within the client's account. These accounts are managed on a "discretionary basis" by the third-party money manager. This means that each investment decision made within the program will be made by the third-party manager on the client's behalf, and without their consent. Each third-party money manager will have its own brochure outlining the experience and any expertise of that manager, the services provided within their program, the fees charged for those services, and any other important information that should be read and understood prior to investing. The account minimums for these programs are established by the third-party money managers, and will also be disclosed in their individual brochures. These third-party money managers may invest in a variety of asset types, including mutual funds, exchange-traded funds ("ETFs"), individual stocks and bonds, variable annuities, alternative investments and cash. The specific asset types that these managers are permitted to invest in will be detailed in their individual brochures.

The IAR may recommend one or more third party managers to a client and will make the introduction to these third-party managers. The client will make the final decision to work with these third-party managers. The IAR receives compensation pursuant to PEP's agreements with the third-party money managers for introducing clients to them and for certain ongoing services provided to a client including but not limited to; consulting services, active management, and reporting services. This compensation, which is disclosed to clients in each third-party money

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manager's brochure, is equal to a percentage of the investment advisory fee charged by that investment manager or possibly a fixed fee. Because PEP and the IAR receive compensation from these third-party money managers for referring clients and because such compensation may differ depending on the individual agreement with each manager, PEP and/or IAR may have an incentive to recommend one of those managers over: 1) other investment managers with less favorable compensation arrangements; 2) programs offered through a separate RIA (if applicable); or 3) alternative advisory programs. Certain programs may charge a "wrap fee". Selection of a "wrap fee" program may result in the payment of fees by clients in excess of the combined total of separate advisory fees and brokerage commissions paid by transaction. To invest in one of these programs, a client will need to sign an advisory agreement directly with the third-party sponsor/adviser of the program selected. The advisory relationship may be terminated by the client, PEP, or the sponsor/adviser in accordance with the provisions of their agreements. If terminated, a client will receive a pro-rata refund of any pre-paid advisory fees, pursuant to the terms of the individual third-party's brochure.

Other Services: Clients may retain PEP to provide other advisory services. The other services may include some services, as described above. In addition, individual IARs may provide additional services in conjunction with the programs. The other services may be provided outside of the PEP/client advisory relationship. Some of the "Other Services" may include the following: income tax/cash flow analysis; investment analysis; retirement analysis; educational funding analysis; estate planning analysis; life insurance analysis; disability insurance analysis; long term health care analysis; and such other items as requested.

Item 5. Fees and Compensation

In the event the client determines to engage PEP to provide services through the Prosperity Pathway™, PEP will do so on a fixed fee basis. PEP will charge a fixed fee between \$1,500 and \$3,500 for the initial one-year engagement. The fixed fee can be adjusted at any time, at our discretion, during the engagement without prior written notice. Fees can be paid on a monthly or quarterly cycle. PEP does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered. After the initial first year, clients may engage PEP to provide additional services.

As stated in Item 4, clients who engage PEP for additional services. PEP's fees for these additional services are negotiable but generally range from \$200 to \$50,000 on a fixed fee basis, depending on the program selected by the client and scope of the services to be provided.

For the Prosperity Pathway™ program, PEP generally requires the full amount of the fixed fee upon entering the agreement. Either party may terminate the agreement by written notice to the

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other. In the event the client terminates PEP's services, the balance of PEP's unearned fees (if any) will be refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client will be entitled to a full refund. Clients are not entitled to a refund after the initial five-step Prosperity Pathway™ program is complete.

PEP fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment, and other third parties such as fees charged by managers, custodial fees, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to PEP's fee.

Direct Third-Party Money Manager Programs

The total fees charged to clients in direct third-party money managed programs will vary from manager to manager. Regardless of the manager selected, all of their fees will be disclosed within their individual brochures. PEP will receive a portion of the total fees assessed in these programs ranging from 25 basis points to 100 basis points, regardless of the manager selected. These fees may be higher than the fees of our other programs.

Item 6. Performance-Based Fees and Side-by-Side Management

PEP does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

PEP provides its services to individuals and accredited investors.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

PEP does not provide investment management services directly to its clients, nor does it have any trading authority over client accounts.

PEP's programs are designed to assist clients with measuring and recovering opportunity costs, executing strategies for controlling their assets, and implementing personalized investment strategies. PEP shall also assist clients in selecting appropriate financial products based on their individual desires if requested. PEP's programs are intended to suit clients' individual

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financial needs and goals; however, the effectiveness of such strategies may depend on the client's implementation.

Clients should be aware that strategies recommended by PEP may involve various risks, such as tax consequences, loss of capital, illiquidity, and market risks. Clients should be prepared to bear these risks.

Item 9. Disciplinary Information

PEP is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. PEP does not have any disclosure events to report.

Item 10. Other Financial Industry Activities and Affiliations

PEP is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Affiliation with Other Investment Advisers

Certain of PEP's Supervised Persons may recommend, on a fully-disclosed basis, the investment advisory services of other advisers. A conflict of interest exists to the extent that PEP recommends other advisers.

Affiliated Insurance Agency/Licensed Insurance Agents

The Firm's affiliate, Partners for Prosperity, LLC ("Partners for Prosperity"), is a licensed insurance agency and offers certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that PEP recommends the purchase of insurance products through Partners for Prosperity, where its owner is entitled to insurance commissions or other additional compensation, including distributions related to their ownership in Partners for Prosperity. The Firm seeks to ensure that all recommendations are made in its clients' best interest regardless of its affiliation with Partners for Prosperity.

In addition, a number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that PEP recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Item 11. Code of Ethics

PEP has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), PEP's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by PEP or any of its access persons. The Code of Ethics also requires that only access persons report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

PEP generally does not provide investment management services to its clients or have any trading authority over client accounts. Clients and prospective clients may contact PEP to request a copy of its Code of Ethics.

Item 12. Brokerage Practices

PEP does not provide investment management services and, therefore, does not select or recommend broker-dealers for client transactions.

Item 13. Review of Accounts

Through the five-step Prosperity Pathway™ program, PEP conducts an initial telephone or Internet conference to identify action items that are specific to each step of the program. Over the next three months, PEP works with clients as part of an ongoing process to implement the program. Subsequently, and for the remaining term of the initial engagement, clients may contact PEP at their discretion. Such reviews are conducted by one of PEP's representatives.

Item 14. Client Referrals and Other Compensation

PEP is required to disclose any relationship or arrangement where it receives an economic benefit from a third-party (non-client) for providing advisory services. In addition, PEP is required to disclose any direct or indirect compensation that it provides for client referrals. PEP currently does not pay referral fees to solicitors for client introduction.

Item 15. Custody

PEP does not have custody of any client accounts and does not debit fees.

Item 16. Investment Discretion

PEP is required to disclose if it accepts discretionary authority to manage securities accounts on behalf of clients. PEP is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. PEP does not provide investment management services; therefore, PEP does not exercise discretion on behalf of clients.

Item 17. Voting Client Securities

PEP is required to disclose if it accepts the authority to vote client securities. PEP does not vote client securities on behalf of its clients.

Item 18. Financial Information

PEP does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered. PEP does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. PEP has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State Registered Advisers

Information regarding Mr. Todd Langford can be found in Item 4 above and in the Part 2B Supplement.

PEP does not engage in any other business or provide any other services other than those described in Part 2A of this Brochure.

All arbitration, civil, or administrative claims have been disclosed under Item 9 in this Brochure.

PEP nor any related person to the Advisor does not have any affiliation or relationship with an entity that is an issuer of securities.