

# **ETHIC Wealth Advisors LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: May 13, 2020**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of ETHIC Wealth Advisors LLC (“ETHIC Wealth” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (888) 384-4292.

ETHIC Wealth is a registered investment advisor located in the Commonwealth of Massachusetts. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about ETHIC Wealth to assist you in determining whether to retain the Advisor.

Additional information about ETHIC Wealth and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 305868.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of ETHIC Wealth.

ETHIC Wealth believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. ETHIC Wealth encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

ETHIC Wealth is a newly formed registered investment advisor. The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients.

- The Advisor is transitioning from registration with the U.S. Securities and Exchange Commission to registration as a State registered investment advisor located in the Commonwealth of Massachusetts.
- The Advisor offers stand-alone investment management services. Please see Item 4 and 5 for additional information.
- The Advisor has updated its fee schedule for wealth management services. Please see Item 4 for additional information.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 305868. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (888) 384-4292.

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## Item 4 – Advisory Services

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### A. Firm Information

ETHIC Wealth Advisors LLC (“ETHIC Wealth” or the “Advisor”) is a registered investment advisor located in the Commonwealth of Massachusetts. ETHIC Wealth was organized as a Limited Liability Company (“LLC”) under the laws of Massachusetts in November 2019. ETHIC Wealth is a wholly-owned subsidiary of ETHIC, a federally chartered bank. The Principal Officers of ETHIC Wealth are Marc A. White (President and Chief Executive Officer), Dimitri J. Nionakis (Chief Operating Officer, Chief Legal Officer, and Chief Compliance Officer), and Charles A. Toye III (SVP Strategy and Corporate Development). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by ETHIC Wealth.

### B. Advisory Services Offered

ETHIC Wealth offers investment advisory services to high net worth individuals, trusts, estates, charitable organizations, and businesses, (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. ETHIC Wealth’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

ETHIC Wealth offers Clients wealth management services, which is a combination of comprehensive financial planning and discretionary investment management. For certain Clients, ETHIC Wealth offers investment management and financial planning each as a stand-alone service.

#### Investment Management Services

ETHIC Wealth provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. ETHIC Wealth works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to design a portfolio strategy. ETHIC Wealth will then design an investment strategy that may include the Advisor’s internal investment management and/or the use of independent managers and/or internal investment management.

*Internal Management* – ETHIC Wealth will then construct an investment portfolio, consisting of mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks, bonds or options contracts to meet the needs of its Clients. The Advisor may retain certain types of investments based on a Client’s legacy investments, portfolio fit and/or tax considerations.

ETHIC Wealth’s investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. ETHIC Wealth will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

ETHIC Wealth evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. ETHIC Wealth may recommend, on occasion, redistributing investment allocations to diversify the portfolio. ETHIC Wealth may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. ETHIC Wealth may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

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All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices and Item 15 - Custody.

*Use of Independent Managers* – ETHIC Wealth may recommend that a Client utilize one or more unaffiliated investment managers or investment platforms (collectively “Independent Managers”) in connection with a Client’s investment strategies. In such instances, the Client may be required to authorize and enter into an advisory agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide investment management and related services. The Advisor will assist in the development of investment policy recommendations and managing the ongoing Client relationship. The Advisor will perform initial and ongoing oversight and due diligence over the selected Independent Manager[s] to ensure the Independent Managers’ strategies and target allocations remain aligned with the Clients’ investment objectives and overall best interests. The Client, prior to entering into an agreement with unaffiliated investment manager[s] or investment platform[s], will be provided with the Independent Manager’s Form ADV 2A (or a brochure that makes the appropriate disclosures).

#### Financial Planning Services

ETHIC Wealth will typically provide a variety of financial planning and consulting services to Clients. Financial planning services may be included in an overall wealth management engagement or provided separately. Services are offered in several areas of a Client’s financial situation, depending on their goals, objectives and financial circumstance. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs, and other areas of a Client’s financial situation.

A financial plan developed for, or financial consultation rendered to, the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

ETHIC Wealth may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client’s financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. The Advisor may also recommend products and services of ETHIC Bank, which will result in additional compensation to the Advisory Person and the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### **C. Client Account Management**

Prior to engaging ETHIC Wealth to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – ETHIC Wealth, in connection with the Client, will develop a strategy that seeks to achieve the Client’s goals and objectives.
- Asset Allocation – ETHIC Wealth will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.

- Portfolio Construction – ETHIC Wealth will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – ETHIC Wealth will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

ETHIC Wealth does not offer a wrap fee program.

#### **E. Assets Under Management**

ETHIC Wealth does not currently manage any Client assets. Clients may request more current information at any time by contacting the Advisor.

### **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

#### **A. Fees for Advisory Services**

##### Wealth Management Services

Wealth management fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the agreement. Wealth management fees are based on the market value of assets under management at the end of the calendar quarter. Wealth management fees range from 0.30% to 1.00% annually based on the following fee schedule:

<b>Assets Under Management (\$)</b>	<b>Maximum Annual Fee (%)*</b>
Up to \$5,000,000	1.00%*
\$5,000,001 to \$10,000,000	0.75%
\$10,000,001 to \$50,000,000	0.50%
\$50,000,001 to \$100,000,000	0.40%
Over \$100,000,000	0.30%

\* Minimum annual fee of \$25,000.

Fees may be negotiable at the sole discretion of the Advisor. Certain Clients may also have an arrangement for a fixed fee. The wealth management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by ETHIC Wealth will be independently valued by the Custodian. ETHIC Wealth will not have the authority or responsibility to value portfolio securities.

Clients may make additions to and withdrawals from their account[s] at any time, subject to ETHIC Wealth's right to terminate an account. Additions may be in cash or securities provided that ETHIC Wealth reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to ETHIC Wealth, subject to the usual and customary securities settlement procedures. However, ETHIC Wealth designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. ETHIC Wealth may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

The Advisor's fee is exclusive of, and in addition to, any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Investment Management Services

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### Investment Management Services

Investment management fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the agreement. Investment management fees are based on the market value of assets under management at the end of the calendar quarter. Investment management fees range from 0.35% to 0.45% annually based on the following fee schedule:

Assets Under Management (\$)	Maximum Annual Fee (%)*
Up to \$10,000,000	0.45%*
\$10,000,001 to \$50,000,000	0.40%
\$50,000,001 and Over	0.35%

\* Minimum annual fee of \$4,500.

Fees may be negotiable at the sole discretion of the Advisor. Certain Clients may also have an arrangement for a fixed fee. The investment management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by ETHIC Wealth will be independently valued by the Custodian. ETHIC Wealth will not have the authority or responsibility to value portfolio securities.

Clients may make additions to and withdrawals from their account[s] at any time, subject to ETHIC Wealth's right to terminate an account. Additions may be in cash or securities provided that ETHIC Wealth reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to ETHIC Wealth, subject to the usual and customary securities settlement procedures. However, ETHIC Wealth designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. ETHIC Wealth may consult with its Clients about the options and ramifications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### Use of Independent Managers

For Client account[s] implemented through an Independent Manager, the Client's overall fees may include ETHIC Wealth's investment advisory fee (as noted above) plus advisory fees and/or platform fees charged by the Independent Manager[s], as applicable. The Independent Manager may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. In such instances, ETHIC Wealth will not charge its fee separately on those assets.

### Financial Planning Services

Financial planning may be included in an overall wealth management engagement, pursuant to the terms of the wealth management agreement. At times, the Advisor may offer financial planning and consulting services as a separate engagement and fee. In such instances, ETHIC Wealth offer its services either on an hourly basis or a fixed engagement fee. Hourly engagements range up to \$500 per hour. Fixed engagement fees are based on the expected effort and duration to complete the engagement at the negotiated rate. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and total costs will be provided to the Client prior to engaging for these services.

## **B. Fee Billing**

### Investment Management Services / Wealth Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] following the end of each calendar quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with ETHIC Wealth at the end of the quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. Clients are urged to also review and compare the statement provided by the Advisor to the brokerage statement from the Custodian, as the Custodian does not perform a verification of fees. Clients provide written authorization permitting advisory fees to be deducted by ETHIC Wealth to be paid directly from their account[s] held by the Custodian as

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part of the investment advisory agreement and separate account forms provided by the Custodian. Certain Clients may also have arrangements with the Advisor that are invoiced to the Client or paid from other accounts by the Client.

#### Use of Independent Managers

Client account[s] implemented through Independent Manager[s] will be billed in accordance to the separate agreement[s] with the respective parties. These parties will typically add ETHIC Wealth's investment advisory fee and deduct the overall fee from the Client's account[s].

#### Financial Planning Services

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed-upon deliverable[s].

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. The Client is responsible for paying securities transaction fees for trades in the Client's accounts[s]. The recommended Custodian currently does not charge a securities transaction fee for online trades in equity securities and ETFs. Trades in mutual funds and other types of investments are often charged a securities transaction fee by the Custodian. The Client may also incur other costs assessed by the Custodian or other parties for account-related activity fees, such as wire transfer fees, fees for trades executed away from the Custodian (if applicable) and other fees.

In addition, all fees paid to ETHIC Wealth for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of ETHIC Wealth, but would not receive the services provided by ETHIC Wealth which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by ETHIC Wealth to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services / Wealth Management Services

ETHIC Wealth is compensated for its services at the end of the quarter, after services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. ETHIC Wealth will assist the Client with the termination and transition as appropriate.

#### Financial Planning Services

ETHIC Wealth may require an advance deposit, as described above. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by the Advisor. Upon termination, the Advisor



will refund any unearned, prepaid planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

ETHIC Wealth does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

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ETHIC Wealth does not charge performance-based fees for its investment advisory services. The fees charged by ETHIC Wealth are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

ETHIC Wealth does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7 – Types of Clients**

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ETHIC Wealth offers investment advisory services to high net worth individuals, trusts, estates, charitable organizations, and businesses. ETHIC Wealth generally does not impose a minimum account size, but does cater its services to high net worth Clients. ETHIC Wealth has a minimum annual fee of \$25,000.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

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#### **A. Methods of Analysis**

ETHIC Wealth primarily employs fundamental and technical analysis in developing investment strategies for its Clients. Research and analysis from ETHIC Wealth are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that ETHIC Wealth will be able to accurately predict such a reoccurrence.

As noted above, ETHIC Wealth generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. ETHIC Wealth will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, ETHIC Wealth may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. ETHIC Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Please see Item 8.B. for risks associated with the Advisor's investment strategies as well as general risks of investing.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

Following are some of the risks associated with the Advisor's strategies:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later. There is also a risk that Authorized Participants are unable to fulfill their responsibilities. Authorized Participants are one of the major parties involved with ETF creation/redemption mechanism in the markets. The Authorized Participants play a critical role in the liquidity of ETFs and essentially have the exclusive right to change the supply of ETF shares in the market. If the Authorized Participants does not fulfill this expected role, there could be an adverse impact on liquidity and the valuation of an ETF.

### Bond ETFs

Bond ETFs are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving ETHIC Wealth or management persons.**

ETHIC Wealth values the trust Clients place in the Advisor. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom the Client engages. Our backgrounds are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 305868.

In addition, Clients may also obtain information relating to the disciplinary history of any investment advisor representative conducting business in Massachusetts by contacting the Commonwealth of Massachusetts Securities Division at (617) 727-3548.

## **Item 10 – Other Financial Industry Activities and Affiliations**

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### Bank Affiliation - ETHIC Bank

Certain Supervised Persons of the Advisor are also employed by ETHIC Bank, the parent company of ETHIC Wealth. Supervised Persons of ETHIC Wealth will recommend the products and services of ETHIC Bank, including but not limited to banking products and services offered by ETHIC Bank. ETHIC Wealth and its Supervised Persons will receive additional compensation resulting from such recommendations. Clients are under no obligation to utilize the products and services of ETHIC Bank in order to be a Client of ETHIC Wealth.

### Use of Independent Managers

As noted in Items 4 and 5, the Advisor may recommend the use of Independent Managers. The Advisor does not receive additional compensation from any Independent Manager.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **A. Code of Ethics**

ETHIC Wealth has implemented a Code of Ethics (the “Code”) that defines the Advisor’s fiduciary commitment to each Client. This Code applies to all persons associated with ETHIC Wealth (“Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor’s duties to each Client. ETHIC Wealth and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of ETHIC Wealth’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact the Advisor at (888) 384-4292.

### **B. Personal Trading with Material Interest**

ETHIC Wealth allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. ETHIC Wealth does not act as a principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. ETHIC Wealth does not have a material interest in any securities traded in Client accounts.

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**ETHIC Wealth Advisors LLC**

125 High Street, High Street Tower, Suite 1712, Boston, MA 02110

Phone: (888) 384-4292

### C. Personal Trading in Same Securities as Clients

ETHIC Wealth allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities ETHIC Wealth recommends (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, ETHIC Wealth must disclose to Clients and mitigate through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by ETHIC Wealth requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO"). The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

### D. Personal Trading at Same Time as Client

While ETHIC Wealth allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will ETHIC Wealth, or any Supervised Person of ETHIC Wealth, transact in any security to the detriment of any Client.**

## Item 12 – Brokerage Practices

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### A. Recommendation of Custodian[s]

ETHIC Wealth does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize ETHIC Wealth to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, ETHIC Wealth does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where ETHIC Wealth does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a broker-dealer/custodian not recommended by ETHIC Wealth. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. ETHIC Wealth may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices. ETHIC Wealth will generally recommend that Clients establish their account[s] at Fidelity Clearing & Custody Solutions and related entities of Fidelity Investments, Inc. (collectively "Fidelity"). Fidelity is a FINRA-registered broker-dealer, member SIPC and serves as a "qualified custodian" for Clients. ETHIC Wealth maintains an institutional relationship with Fidelity, whereby the Advisor receives economic benefits from Fidelity (Please see Item 14 – Client Referrals and Other Compensation below).

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **ETHIC Wealth does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from Fidelity. Please see Item 14 – Client Referrals and Other Compensation.**

**2. Brokerage Referrals** - ETHIC Wealth does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where ETHIC Wealth will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts

are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). ETHIC Wealth will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. ETHIC Wealth will execute its transactions through the Custodian as authorized by the Client. ETHIC Wealth may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of ETHIC Wealth and periodically by the CCO. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify ETHIC Wealth if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **Item 14 – Client Referrals and Other Compensation**

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### **A. Compensation Received by ETHIC Wealth**

ETHIC Wealth is a fee-based advisory firm that is compensated by its Clients for the advisory services it provides. ETHIC Wealth is not associated with a broker-dealer or futures commission merchant and does not receive securities commissions for any Client account. As noted in Item 10 above, ETHIC Wealth and its Supervised Persons may receive commissions and compensation from ETHIC Bank for the referral or implementation of products or services offered by ETHIC Bank. Clients are not obligated to utilize the products and services offered by ETHIC Bank in order to maintain an advisory relationship with ETHIC Wealth.

ETHIC Wealth may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, ETHIC Wealth may receive non-compensated referrals of new Clients from various third-parties.



#### Participation in Institutional Advisor Platform

ETHIC Wealth has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In addition, Fidelity has provided the Advisor with financial support in establishing the Advisor in exchange for transitioning assets to the Fidelity platform. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

#### **B. Client Referrals from Solicitors**

ETHIC Wealth does not engage paid solicitors for Client referrals.

#### **Item 15 – Custody**

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ETHIC Wealth does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct ETHIC Wealth to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by ETHIC Wealth to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

#### **Item 16 – Investment Discretion**

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ETHIC Wealth generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by ETHIC Wealth. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by ETHIC Wealth will be in accordance with each Client's investment objectives and goals.

#### **Item 17 – Voting Client Securities**

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ETHIC Wealth does not accept proxy-voting responsibility for any Client. Clients will generally receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting. Clients that do not wish to receive proxies from the Custodian may request that the Custodian direct proxies to the Advisor's attention. However, making this selection does not result in PRW Wealth Management assuming proxy-voting responsibility.

#### **Item 18 – Financial Information**

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Neither ETHIC Wealth, nor its management, have any adverse financial situations that would reasonably impair the ability of ETHIC Wealth to meet all obligations to its Clients. Neither ETHIC Wealth, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. ETHIC Wealth is not required to deliver a



balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$500 or more for services to be performed six months or more in the future.

## **Item 19 – Requirements for State Registered Advisors**

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### **A. Educational Background and Business Experience of Principal Officer**

The Principal Officers of ETHIC Wealth are Marc A. White, Dimitri J. Nionakis and Charles A. Toye III. Information regarding the formal education and background of the Principal Officers is included in Item 2 – Educational Background and Business Experience of each Part 2B below.

### **B. Other Business Activities of Principal Officer**

The Principal Officers have additional business activities that are detailed in Item 10 - Other Financial Activities and Affiliations.

### **C. Performance Fee Calculations**

ETHIC Wealth does not charge performance-based fees for its investment advisory services. The fees charged by ETHIC Wealth are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

### **D. Disciplinary Information**

***There are no legal, civil or disciplinary events to disclose regarding ETHIC Wealth or the Principal Officers of ETHIC Wealth.*** Neither ETHIC Wealth nor the Principal Officers of ETHIC Wealth have ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against ETHIC Wealth or the Principal Officers of ETHIC Wealth.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. As previously noted, there are no legal, civil or disciplinary events to disclose regarding ETHIC Wealth or the Principal Officers of ETHIC Wealth.

### **E. Material Relationships with Issuers of Securities**

Neither ETHIC Wealth nor the Principal Officers of ETHIC Wealth have any relationships or arrangements with issuers of securities.

## Privacy Policy

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Effective: May 13, 2020

### Our Commitment to You

ETHIC Wealth Advisors LLC ("ETHIC Wealth" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. ETHIC Wealth (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

ETHIC Wealth will never sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

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#### ETHIC Wealth Advisors LLC

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## How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b></p> <p>With the consent of the Client, the Advisor may share non-public personal information with non-affiliated third parties (such as broker-dealers, custodians, other financial institutions and service providers) as necessary to provide the agreed upon services to the Client. Sharing will occur only as consistent with applicable laws and regulations in the State in which the Client resides. Please see additional rules for Massachusetts below. The Advisor may share personal information with the above-referenced parties for account opening, processing transactions, account maintenance; and other Client service activities.</p> <p>The Advisor may share the following types of information with the above-referenced parties:</p> <ul style="list-style-type: none"><li>• Name, address and phone number[s]</li><li>• E-mail address[s]</li><li>• Driver's license number</li><li>• Social security or taxpayer identification number</li><li>• Date of birth</li><li>• Assets and liabilities</li><li>• Income and expenses</li><li>• Investment activity</li><li>• Investment experience and goals</li></ul> <p>The Client may also request that the Advisor share non-public personal information with other individuals and businesses. Prior to such sharing, the Advisor will require an executed Information Sharing Authorization from the Client for each authorized party. The Client may rescind these authorizations at any time.</p> <p><b>The Client may limit sharing of the above-referenced information. However, limiting the sharing of this information could also limit the Advisor's ability to perform the services outlined in the Client's agreement with the Advisor.</b></p>	Yes	Yes
<p><b>Response to Regulatory Inquiries</b></p> <p>The Advisor may be required by securities regulators to provide non-public personal information in connection with audits and other inquiries.</p>	Yes	No
<p><b>Marketing Purposes</b></p> <p>The Advisor does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where the Advisor or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	N/A
<p><b>Information About Former Clients</b></p> <p>The Advisor does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients, except for inquiries by securities regulators as noted above.</p>	No	N/A

## State-specific Regulations

Massachusetts Clients	In response to Massachusetts law, the Client must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. Client opt-in is obtained through the Client's execution of authorization forms provided by the third parties, by executing an Information Sharing Authorization Form, or by other written consent by
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	the Client, as appropriate and consistent with applicable laws and regulations.
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**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (888) 384-4292.