



Empirical Asset Management, LLC

Form ADV Part 2A – Appendix 1 ("Wrap Fee Program Brochure")

Effective: August 12, 2021

This Form ADV2A - Appendix 1 ("Wrap Fee Program Brochure") provides information about the qualifications and business practices for Empirical Asset Management, LLC ("EAM" or the "Advisor") services when offering services pursuant to a wrap program. This Wrap Fee Program Brochure shall always be accompanied by the EAM Disclosure Brochure, which provides complete details on the business practices of the Advisor. If you did not receive the complete EAM Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the EAM Disclosure Brochure, please contact us at (781) 431-2220 or by email at mfiskio@empiricalam.com.

EAM is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about EAM to assist you in determining whether to retain the Advisor.

Additional information about EAM and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 155436.

Item 2 – Material Changes

Form ADV 2A - Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses Wrap Fee Programs offering by the Advisor.

Material Changes

This is the initial filing of the Wrap Fee Program Brochure.

Future Changes

From time to time, we may amend this Wrap Fee Program Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete EAM Disclosure Brochure) or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of EAM.

At any time, you may view this Wrap Fee Program Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 155436. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (781) 431-2220 or by email at mfiskio@empiricalam.com.

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Item 4 – Services Fees and Compensation

A. Services

EAM provides customized investment advisory services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to EAM's Form ADV Part 2A ("Disclosure Brochure"). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting EAM as your investment advisor.

As part of the investment advisory fees noted in Item 5 of the Disclosure Brochure, EAM includes normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a "Wrap Fee Program". The Advisor sponsors the EAM Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single "bundled" investment advisory fee. This Wrap Fee Program Brochure references back to the EAM Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on EAM's investment philosophy and related services.**

B. Program Costs

Advisory services provided by EAM are offered in a wrap fee structure whereby normal securities transaction costs are included in the overall investment advisory fee paid to EAM. As the level of trading in a Client's account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity in the Client's account[s]. A Wrap Fee structure has a potential conflict of interest as the Advisor may have an incentive to limit the number of trades placed in the Client's account[s]. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

C. Fees

Advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment management agreement. Advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment management fees range from 0.40% to 1.50% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

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

As noted above, the Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary investment management services provided by EAM. Securities transaction fees for Client-directed trades may be charged back to the Client. Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Under this Wrap Fee Program, EAM includes securities transactions costs as part of its overall investment advisory fee.

Clients may incur certain fees or charges imposed by third parties, other than EAM, in connection with investments made on behalf of the Client's account[s]. For Clients in the EAM Wrap Fee Program, securities transaction fees are included in the Client's investment advisory fee as noted above. For Clients not in the EAM Wrap Fee Program, Clients are responsible for all custody and securities execution fees charged by the Custodian. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments.

In addition, all fees paid to EAM for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds 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. 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 and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by EAM to fully understand the total fees to be paid. Please see Item 5.C. – Other Fees and Expenses of the Disclosure Brochure.

D. Compensation

EAM is the sponsor and portfolio manager of this Wrap Fee Program. EAM receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

Item 5 – Account Requirements and Types of Clients

EAM offers investment advisory services to individuals, high net worth individuals, trusts, estates, pooled investment vehicles, charitable organizations, businesses, retirement plans and other investment advisors. EAM generally does not impose a minimum account size for establishing a relationship. Please see Item 7 – Types of Clients of the Disclosure Brochure for additional information.

Item 6 – Portfolio Manager Selection and Evaluation

Portfolio Manager Selection

EAM serves as sponsor and as portfolio manager for the services under this Wrap Fee Program.

Related Persons

EAM personnel serve as portfolio managers for this Wrap Fee Program.

Performance-Based Fees

For accounts in the EAM Wrap Fee Program, EAM does not charge performance-based fees.

Supervised Persons

EAM Advisory Persons serve as portfolio managers for all accounts, including the services described in this Wrap Fee Program Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

Methods of Analysis

Please see Item 8 of the Disclosure Brochure for details on the research and analysis methods employed by the Advisor.

Risk of Loss

Past Experience of the Principal of EAM. The past investment performance of portfolios managed by the principal of EAM should not be construed as an indication of the future results of an investment in an Account. EAM's investment program should be evaluated on the basis that there can be no assurance that our assessment of the short-term or long-term prospects of investments will prove accurate or that Accounts will achieve their investment objectives.

No Guarantee of Achievement of Investment Objective; Limited Information. No guarantee or representation is made that an Account's investment strategy will be successful. An Account's investment program may include such investment techniques as leverage and short sales (with respect to the Fund) which practices can, in certain circumstances, increase the risk and losses to the Account. No assurance can be given that an Account will achieve its investment objective.

EAM is not in a position to obtain all relevant information regarding a company or a security. Further, EAM may misinterpret or incorrectly analyze the information that it has about a particular company or security. These and other factors may cause EAM to (a) invest in securities at times that will lead to losses in an Account's portfolio and may cause an investor to lose a significant portion of their investment in an Account or (b) refrain from investing in a particular security at times that would have resulted in gains in the Account's portfolio if EAM would have caused the Account to invest.

Unspecified Investments. Clients must rely on the ability of EAM and its employees to identify and make investments consistent with an Account's investment strategy. Clients neither participate in the making of any investment decisions nor have the opportunity to evaluate personally the relevant economic, financial and other information used by EAM in its selection, monitoring and disposition of investments. Accordingly, Clients should not invest with EAM unless prospective Clients are willing to entrust all aspects of the management and investments of their Account to EAM.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, systemic financial market instability, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect an Account's investments and prospects materially and adversely. None of these conditions is within EAM's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of investments in an Account. Unexpected volatility or illiquidity could impair an Account's profitability or result in losses.

Market Losses and Volatility; Economic Conditions. In recent history, the financial markets have experienced severe losses and extreme volatility. In addition, government intervention into the markets has been substantial and unpredictable, such as the temporary ban on shorting the securities in 2008 and 2009 of certain financial institutions and the "bailout" of various financial institutions as well as volatility associated with this year's coronavirus. In situations like these EAM cannot predict when the markets may recover, when the extreme volatility may cease, or the nature and impact of further government intervention.

It is reasonable to expect that during any recovery period a number of issuers may declare bankruptcy or experience severe financial distress. An Account may suffer losses if it has exposure to any such issuers.

Investing in Foreign Securities and Emerging Markets. EAM expects that an Account's investments may include securities of issuers in global markets, including emerging markets, some of which may be particularly sensitive to economic, market, industry and other variable conditions. In addition, there may be limited information available about investment targets and the targets may have limited internal reporting and accounting systems. Client Accounts will be subject to various risks incidental to investing in businesses abroad, including nationalization, expropriation or confiscatory taxation, political and economic instability and diplomatic developments, which could affect investments in those countries. The economies of emerging market countries may differ favorably or unfavorably from the economies of more industrialized countries, in such respects as growth of domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Moreover, economic factors in various global markets can affect demand for the goods and services of issuers of securities held by an Account. In addition, there is the greater difficulty in monitoring business abroad.

Use of Borrowed Funds. EAM may cause an Account to leverage its investment positions by borrowing funds from securities broker-dealers, banks, or others. Such leverage increases both the possibilities for profit and the risk of loss. In a downward trending market, the use of leverage for long positions could have a material adverse effect on an Account's profitability and operations, and the reverse could apply to a rising market and short positions. Extensions of credit and guarantees by broker-dealers of performance of an Account's obligations will typically be secured by the Account's securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Account's obligations, and if the Account were unable to provide additional collateral, the broker-dealer could liquidate assets held in the brokerage account to satisfy the Account's obligation to the broker-dealer. Liquidation in such manner could have materially adverse consequences. In addition, the amount of the Account's borrowings and the interest rates on those borrowings, which will fluctuate,

will have a significant effect on the Account's profitability.

Exchange Rate Risk. Volatility in international exchange rates between the United States Dollar and other currencies may affect pricing and the profit margin on sales of non-U.S. securities held by an Account. This, in turn, could adversely affect the Account's rate of return.

EAM will require that payments be made and will make withdrawal payments in United States Dollars. Consequently, for investors whose local currency is not United States Dollars, an investment in an Account involves a significant exchange rate risk. An Account could recognize substantial profits but the real value of a client's investment could decline due to a decrease in the value of United States Dollars relative to such client's local currency.

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.

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. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.

Proxy Voting

EAM accepts proxy-voting responsibility for Clients. In such instances, the Advisor will cast proxy votes only in a matter it believes is consistent with its fiduciary duty to Clients of the Advisor.

The Advisor has engaged Broadridge Investor Communications Solutions, Inc. ("Broadridge"), a third-party, independent proxy advisory firm, to provide it with research, analysis, and recommendations on the various proxy proposals for the client securities that EAM manages with the aim of maximizing shareholder value. In engaging Broadridge for that purpose, EAM will review as necessary, Broadridge's Proxy Paper Guidelines for the current proxy voting season and will approve the summary of Broadridge's positions on the voting positions it recommends for the types of proposals most frequently presented, including: election and composition of directors; financial reporting; compensation of management and directors; corporate governance structure and anti-takeover measures; and environmental and social risks to operations. EAM is in agreement with the approach Broadridge has set forth in its current Proxy Paper Guidelines for voting proxies. Although EAM, based on its approval of the positions in the Proxy Paper Guidelines, expects to vote proxies according to Broadridge's recommendations, certain issues may need to be considered on a case-by-case basis due to the diverse and continually evolving nature of corporate governance issues. If such cases should arise, then EAM will devote appropriate time and resources to consider those issues.

Where EAM is responsible for voting proxies on behalf of a Client, the Client cannot direct the Advisor's vote on a particular solicitation. The Client, however, can revoke EAM's authority to vote proxies. In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that EAM maintains with persons having an interest in the outcome of certain votes, the Advisor will take appropriate steps, whether by following Broadridge's third-party recommendation or otherwise, to ensure that proxy voting decisions are made in what it believes is the best interest of its Clients and are not the product of any such conflict.

Item 7 – Client Information Provided to Portfolio Managers

EAM is the sponsor and sole portfolio manager for the Program. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program. Please also see the EAM Privacy Policy.

Item 8 – Client Contact with Portfolio Managers

EAM is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at EAM.

Item 9 – Additional Information

A. Disciplinary Information and Other Financial Industry Activities and Affiliations

There are no legal, regulatory or disciplinary events involving EAM or any of its management persons.

EAM values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider with whom the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 155436.

Please see Item 9 of the EAM Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement for additional information on how to research the background of the Advisor and its Advisory Persons.

Other Financial Activities and Affiliations

Please see Items 10 and 14 of the Disclosure Brochure.

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

EAM has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to EAM's compliance program (our "Supervised Persons"). Complete details on the EAM Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure.

Review of Accounts

Investments in Client accounts are monitored on a regular and continuous basis by Advisory Persons of EAM under the supervision of the Chief Compliance Officer ("CCO"). Details of the review policies and practices are provided in Item 13 of the Disclosure Brochure.

Other Compensation

Please see Item 14 – Other Compensation of the Disclosure Brochure for details on additional compensation that may be received by EAM or its Advisory Persons. Each Advisory Person's Brochure Supplement provides details on any outside business activities and the associated compensation.

Client Referrals from Solicitors

EAM does not engage paid solicitors for Client referrals.

Financial Information

Neither EAM, nor its management have any adverse financial situations that would reasonably impair the ability of EAM to meet all obligations to its Clients. Neither EAM, nor any of its Advisory Persons have been subject to a bankruptcy or financial compromise. EAM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.