

STACKHABIT

WRAP FEE PROGRAM BROCHURE

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This wrap fee program brochure provides information about the qualifications and business practices of StackHabit, LLC, *doing business as* StackHabit (“StackHabit”), a registered investment adviser. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at support@stackhabit.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about StackHabit also is available on the SEC’s website at <https://adviserinfo.sec.gov/>

2. Material Changes

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Firm Description

StackHabit is a Securities and Exchange Commission (“SEC”) registered investment adviser that provides a mobile investing experience for investors looking to grow their wealth. It was formed in December 2020 by Cullen M. Breen, and Benjamin A. Buchanan who are its principal owners (“Principals”). Cullen has spent the majority of his career as a financial advisor, opening his own advisory firm in 2014. Benjamin has been a financial advisor since 2015, and before that had his own consulting business. Cullen and Ben both graduated from SUNY Albany with degrees in Economics.

4. Services, Fees and Compensation

StackHabit offers to Clients (“Clients”) the StackHabit Wrap Fee Program (the “Program”) involving discretionary investment advisory services sponsored by StackHabit. StackHabit offers these services to individual taxable accounts and individual retirement accounts (“IRA”), specifically Roth and Traditional accounts. The Program seeks to provide personalized, long-term oriented investment portfolios that are primarily invested in what StackHabit considers high-quality stocks.

The Program does not provide comprehensive financial or tax planning or legal advice, and Clients are advised and afforded the opportunity to seek the advice and counsel of the Client’s own tax, financial, and legal advisers. Neither StackHabit nor any of its affiliates is responsible for establishing or maintaining any Client’s compliance with the requirements of the Internal Revenue Code for a Traditional IRA or Roth IRA, or any other type of account that may be offered through the Program or determining any Client’s individual tax treatment regarding such account. Furthermore, neither StackHabit nor any of its affiliates is responsible for withholding any tax penalties that may apply to Clients’ StackHabit accounts or for any state or federal income tax withholding, except as may otherwise be required by applicable law.

The Program seeks to provide personalized, long-term oriented investment portfolios that are invested using our proprietary methodologies. Each strategy is comprised primarily of a

concentrated basket of stocks (long). The equities in each strategy are determined via our proprietary and fully discretionary research process based on the principals' previous experience. The philosophy of the Program's investment process is largely to identify securities that meet a set of characteristics such as good growth prospects and a reasonable valuation. By following this philosophy, the principals aim to grow clients' capital over a multi-year time horizon. Clients will be recommended a personalized portfolio with different risk characteristics based on their responses to our investment questionnaire, which asks questions such as: "Is your investment time horizon longer than 7 years"; and "Do you have an emergency fund with six months' worth of expenses set aside". The answers to these questions are fed into StackHabit's decision tree, which then automatically suggests a personalized portfolio designed to match the clients' desired risk characteristics. StackHabit, at its discretion reserves the right to invest the non-equity portion of the clients' portfolio in various fixed income Exchange Traded Funds (including equity like convertible bonds) or to keep funds in cash.

The Program is not a complete investment program and Clients should not use it as the sole component of their investment plan.

Advisory Business – Program Description

StackHabit's Program interacts with its Clients predominantly through a software application that is available through mobile platforms (the "StackHabit App"). StackHabit's Program additionally maintains an online presence through the firm's website <https://www.StackHabit.com>. Clients will provide information about themselves and their investment goals through the StackHabit App by answering a questionnaire. This will allow StackHabit to recommend an investment portfolio that is customized to Clients' risk tolerance. For each Client's plan, StackHabit may consider factors like: investment time horizon, whether clients have established cash-cushions such as an emergency fund; liquidity need; tolerance for volatility; whether they carry credit card debt from month to month, etc. StackHabit's algorithm then evaluates each Client's responses and creates a personalized portfolio plan using a decision tree.

StackHabit is not a solution for everyone. For example, if someone is seeking a place to park

cash for a short period of time the StackHabit App will not let them open an account.

Clients are permitted to impose reasonable restrictions on the way StackHabit manages portfolios. Through the account opening process and via ongoing client input, clients may impose restrictions, which may include the ability to restrict certain asset classes, or make alterations to the personalized investment advice such as deviation from recommended risk. All information regarding restrictions we can reasonably offer to clients will be presented in the account opening process. Restrictions may include, but are not explicitly limited to:

1) Maximum Initial Equity Exposure; 2) Exclusion of alternative publicly traded securities such as commodity based ETFs, or in the future ETFs that invest in cryptocurrencies. Even though clients may restrict how StackHabit invests their funds they will not be permitted to select specific securities.

Clients must open a securities brokerage account and provide discretionary authority over that account to StackHabit. Brokerage accounts, agreements, and order processing will be conducted through Marsco Investment Corporation (“Marsco”), an SEC registered broker-dealer that provides brokerage related services to StackHabit and Clients within the StackHabit Program, serving as a fully-disclosed introducing broker to Interactive Brokers LLC (“IB”). Using Marsco’s application program interface (“API”), the StackHabit App allows Clients to create an investment account instantly on any mobile device. All account opening functionalities, including identity verification and approval, are handled digitally and instantly by IB, an SEC registered broker-dealer. IB will also provide custody, clearing, and settlement services for StackHabit’s Clients.

Investment Discretion

StackHabit has discretionary authority to manage assets on behalf of Clients who enter into the StackHabit Program, as described above. Discretionary trading authority permits StackHabit to make trades in Client accounts on the Clients’ behalf, so that StackHabit may maintain the Client’s portfolio and make ongoing changes as StackHabit believes appropriate, including but not limited to potential regular rebalancing of the portfolio and trading securities. See how the portfolio is constructed under **Investment Strategies and Methods of Analysis**.

The sole service StackHabit offers is the Program, and StackHabit only manages Client accounts that participate in the Program. StackHabit receives a portion of the Wrap Program Fee (see below) for its services. StackHabit only receives the “subscription fee” or the Wrap Program Fee (see below) and does not receive any performance-based compensation for its services.

Fees

The Wrap Program Fee is 150 basis points (1.50%) per year for clients. The Wrap Program Fee is prorated and charged daily, in arrears. The asset-based fee is assessed based on the Net Liquidation Value (previous day ending equity) entered as an annualized percentage, applied on a daily basis (252 business days are applied in this calculation.) Clients authorize StackHabit through the Client advisory agreement to deduct the fees directly from Client custodial accounts. See “Direct Fee Debit of StackHabit’s Fee” below.

Fee Comparison

As described above, a portion of the Wrap Program Fee is used to cover the securities brokerage commissions attributed to the management of StackHabit’s Clients’ portfolios. The number of transactions made in Clients’ accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Services provided through the StackHabit Program may cost Clients more or less than purchasing advisory and execution (brokerage) services separately. StackHabit’s Wrap Program Fee may also be higher or lower than fees charged by other wrap sponsors of comparable investment advisory programs. Since StackHabit pays the transactions charges in the Client’s account, there may exist a financial incentive for StackHabit not to place transactions in the Client’s account, or to place fewer trades or trade less frequently. A wrap fee account may not be in the best interest of a Client with minimal or no trading activity as compared to a non-wrap fee account or brokerage account where the Client would otherwise pay trading costs as incurred but a lower fee in a non-wrap account or no advisory fee in a brokerage account. StackHabit’s decision to trade or

rebalance a portfolio will largely be guided by its fundamental research process, which is driven by both proprietary qualitative and quantitative methods. StackHabit may execute trades at its discretion based on this research process. Aside from covering most of your fees to our broker-dealer and transaction costs, fees associated with the Program include access to our proprietary investment strategies and in-house research, and therefore are higher than a typical advisory fee for a traditional ETF, mutual fund, or similar advisory product.

Fee Discretion

StackHabit in its sole discretion may from time to time offer lower fees through promotions, referrals and other discounts to some accounts that differ from the fees stated above.

Conversely, from time to time, StackHabit may in its sole discretion also raise fees. Negotiated fees may differ based on factors, including but not limited to, the type and size of the account, the historical and/or expected size and number of trades for the account and the client related services to be provided to the client.

Other Fees

In addition to the StackHabit Program Fee, Clients may incur certain other fees imposed by third- party financial institutions. These additional fees and charges may include:

Brokerage, Clearing and Service Provider Charges

StackHabit's fees do not cover certain charges imposed by Trading Front and Marsco/IB. These types of charges may include, but are not limited to, wire transfer fees, ach fees, and bounced check fees. Clients also pay their own taxes on gains and income in connection with the account and its activities.

Direct Fee Debit of StackHabit's Fee

Clients will authorize StackHabit and the custodian to deduct the Wrap Program Fee directly from the Client's custodial account pay those fees to StackHabit. StackHabit may also take the fee from a Client's account by instructing the custodian to deduct the fee from the assets in account, including by selling (liquidating) a sufficient amount of holdings to cover the fee.

Account Additions and Withdrawals

Clients may add to and withdraw from their account at any time, subject to StackHabit's right to terminate a Client's account. Additions to an account must be done via bank transfer.

StackHabit Clients may withdraw account assets on 5 days' notice to StackHabit, subject to the usual and customary securities settlement procedures. However, StackHabit designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Clients are advised that when cash is withdrawn, they may be subject to transaction fees, and/or tax ramifications(including wash sales).

5. Account Requirements and Types of Clients

The StackHabit Program is offered to individuals. To create an account, StackHabit requires a minimum account size for all clients which will be communicated clearly during the onboarding process before account creation. If funds are withdrawn and the account is reduced below this amount, StackHabit reserves the right to close Client's account.

6. Portfolio Manager Selection and Evaluation

StackHabit is both the sponsor and the sole portfolio manager for the StackHabit Program. The Program is designed and implemented by StackHabit's principals, Cullen M. Breen and Benjamin A. Buchanan. Together they are responsible for portfolio monitoring; construction, maintenance, and updates to StackHabit's investment process, and other core functions. They are also responsible for designing the client questionnaire and decision tree which together comprise the inputs used to feed Stackhabit's computer-based model, which in turn automatically determines how clients' portfolios are allocated.

Investment Strategies and Methods of Analysis

Through the StackHabit Program, we provide primarily equity based investment portfolios that are personalized according to criteria such as: income, investment goals, time horizon, risk tolerance, and net assets. To accomplish this, Stackhabit has developed a fundamental research process, both qualitative and quantitative, which it uses to construct and manage a concentrated basket of US listed equities (and may include both ADRs and GDRs of foreign

entities traded in the United States).

Stackhabit does not engage in holistic financial planning. Stackhabit's primary approach is to provide its Clients with a long-term oriented portfolio of stocks, similar to how classic long equity managers invest. Our portfolios are likely to include similar equity components whether the client has been determined to have a "low-risk tolerance" or a "high-risk tolerance". What will differ is the percent of the portfolio that is allocated to those equities, and what percent of the portfolio is allocated to lower risk assets and/or cash equivalents. Equities are selected primarily based on their expected return relative to their risk as derived by Stackhabit's proprietary research process.

There is no guarantee that any Client portfolio will meet a Client's investment objectives or provide a given level of income or return.

Performance Figures

Any performance figures on StackHabit's website and inside StackHabit's interactive application are actual results unless clearly stated otherwise.

There is no guarantee that a Client's investment goals will be achieved or that StackHabit's investment strategies will be successful. Investment losses are possible. Past performance is no guarantee of future results.

Management through Similarly Managed "Model" Accounts. StackHabit manages Client accounts through the use of similarly managed "model" portfolios, whereby StackHabit allocates all or a portion of its Clients' assets among equity securities, ETFs, cash and/or cash equivalents using its proprietary research process. To implement its investment strategies and to manage Client accounts, StackHabit has developed a fundamental research process, both qualitative and quantitative in nature, which will determine security selection and allocation.

Each clients' investment account is then personalized according to their responses to the questionnaire, which are fed through Stackhabit's decision tree to determine the appropriate mix of risk assets and other assets. For example, if Stackhabit's research indicates that a certain

basket of technology stocks provide an attractive risk/reward opportunity, then a client who has been determined through Stackhabit's decision tree to be a "low-risk desiring profile" may receive an allocation of 25% to this basket of stocks, whereas a client who has been determined through Stackhabit's decision tree to be a "high-risk desiring profile" may receive an allocation of 50%. If clients choose a shorter time horizon, lower risk tolerance, and more conservative investment goals, then Stackhabit's decision tree will result in a more conservative portfolio, while choosing a longer time horizon, higher risk tolerance, and more aggressive investment goals will result in the decision tree selecting a more aggressive portfolio. Differences in the allocations of clients' accounts will primarily be in the form of higher or lower allocations to assets deemed risky by Stackhabit's research process.

Rebalancing. To participate in the Program, Clients must agree to have their accounts rebalanced periodically at Stackhabit's discretion. While Stackhabit seeks to ensure that Client assets are managed in a manner consistent with their individual investment objectives and risk tolerance, securities transactions effected pursuant to a model investment strategy are usually done without regard to a Client's individual tax ramifications or market conditions. As a consequence of rebalancing, Clients may incur potentially adverse tax consequences. StackHabit does not render tax advice to Clients, who should consult their own tax advisors for specific guidance.

Ongoing Management. As the value of a Client's investments fluctuate, the portfolio can diverge from a Client's desired risk preferences. Rebalancing, the practice of adjusting a Client's portfolio back to its original desired risk preference, typically occurs as determined by StackHabit's research process.

Performance Based Fees and Side-By-Side Management

StackHabit does not charge performance-based fees (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets).

Voting of Client Securities

StackHabit does not exercise voting authority over Client proxies.

Risk of Loss

All security investments involve a risk of loss, including the potential loss of principal. This is a risk borne by the Client. StackHabit constructs portfolios with a relatively small number of equities. Client portfolios are not fully diversified and will be subject to general movements in the stock market and the value fluctuations of each particular issuer's stock. Equity security prices fluctuate for several reasons, including changes in the financial condition of a particular issuer, investors' perceptions of the issuer's industry, the general condition of the relevant stock market, changes in interest rates, or when political or economic events affecting the issuers occur. ***There can be no assurance that a Client will achieve his/her goals or positive investment performance over any period of time.***

While it is not possible to enumerate all possible risks, below are some of the common factors that can produce a loss in a Client's account and/or in a specific investment product, or one related to a specific strategy.

- Market Risk: The price of a security, mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Price Volatility: The price of an investment product's shares may fluctuate, even significantly, in a short period of time.
- Equity Securities: Investing in individual companies involves investments in common stocks and is subject to the volatility and individual risks associated with those stocks.
- Concentration of Investments. The portfolios will typically hold a relatively small number of security positions, which will expose the portfolio to the particular industry or market sector

the security represents and the value of the specific company. Losses in one or more positions, or a downturn in an industry or market sector in which the company participates, could adversely affect the portfolio's performance in a particular period.

- Fundamental Investment Strategy Risks: StackHabit's portfolio management and trading decisions are based on fundamental research conducted by its professionals. The research process incorporates various operating and financial factors aimed at exploiting market trends, anomalies and pricing discrepancies with a view to selecting investments in pursuit of the portfolio's investment objectives. The process of designing and perfecting the research, portfolio construction, and management model is highly complex. StackHabit cannot guarantee that the model will indeed function as intended or that it will produce profits on investments as implemented. The fundamental and quantitative strategies utilized by StackHabit have inherent limitations, including the possibility of human error in the design, data input or implementation process; imperfections of a model to keep up with changes in the markets and the behavior of market participants over time. In addition, any portfolio manager judgment during the approval or override of model results is based on human skills and abilities similar to non- quantitative investing, with all the risks, potential errors or miscalculations that any asset or portfolio manager faces.
- Automated Investing: Stackhabit relies on customer supplied information regarding their personal situation. We use said information in conjunction with a decision tree which provides personalized investment recommendations. Online and electronic interactions are limited compared to face-to-face individual advice, which Stackhabit does not provide.

7. Client Information Provided to Portfolio Managers

StackHabit acts as the sole portfolio manager under the Program and, as such, it does not share Client information with any other portfolio managers.

Clients have the ability to place restrictions to StackHabit's portfolio management based on how they answer their questionnaire which will present an opportunity to do so.

8. Client Contact with Portfolio Managers

StackHabit The Program and StackHabit's advisory service are provided predominantly through the StackHabit App. Through the StackHabit App, StackHabit collects information about the Client's financial circumstances, goals, and objectives through its automated interactive platform to offer an appropriate, personalized portfolio for the Client's needs. Clients should update their information on StackHabit's automated platform if their conditions change so that they may review alternative investment advice via the platform. StackHabit relies upon the accuracy of the information entered by the Client when proposing personalized portfolios and maintaining up to date information is essential for StackHabit to provide the best possible advice.

Information regarding a Client's portfolio holdings and performance will be available to Clients through the StackHabit App. Clients may communicate with StackHabit exclusively through the StackHabit App and StackHabit's support email communication (support@Stackhabit.com), which has its inherent limitations. StackHabit will not elaborate or expand upon the portfolio recommendation provided by the StackHabit App.

9. Additional Information

Disciplinary Information

StackHabit has not been involved in any legal or disciplinary events.

Other Financial Industry Activities and Affiliations

StackHabit LLC is under common control with Dutch Asset Corporation (IA Firm) and both Cullen Breen and Benjamin Buchanan are IARs of Dutch Asset Corporation.

Code of Ethics

StackHabit has adopted a Code of Ethics ("Code") as required by the applicable securities laws. The Code establishes and reinforces a standard of business conduct expected of its supervised persons and provides specific guidance related to managing conflicts of interests. This includes procedures to: (1) prevent access to material nonpublic information about StackHabit's securities recommendations and Client securities holdings and transactions by individuals who do not need the information to perform their duties; (2) review and approval of certain securities transactions and holdings by supervised persons with access to Client information; and (3) report of any internal violations of the code. StackHabit will provide a copy of its Code to Clients and prospective Clients upon request. To request a copy of the Code, please contact StackHabit at ben@Stackhabit.com.

Account Reviews

StackHabit automatically contacts and reminds Clients on a quarterly and annual basis to ask if there have been any changes to their financial situation and investment objectives, and to update their information accordingly. These automated reviews, like the initial account opening process, feed clients' responses to the provided questionnaire into a decision tree, which may result in clients' portfolios being updated.

Brokerage and Custody Practice

We seek to use a custodian/broker who will hold Client assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including the capability to execute, clear, and settle trades (buy and sell securities for Client accounts), capabilities to facilitate transfers

and payments to and from accounts (wire transfers, check requests, bill payment, etc.), availability of investment research and tools that assist us in making investment decisions, quality of services, competitiveness of the price of those services, reputation, financial strength, and stability of the provider.

Duty to Seek Best Execution

StackHabit's use of IB will comply with its duty to obtain "best execution." In seeking best execution, the determinative factor is not just cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker's services described above. To participate in the Program, Clients must direct all brokerage transactions for their accounts to IB. Clients cannot designate or select a different broker for trade execution. StackHabit may use other brokers to execute trades for Client accounts other than IB.

Trade Aggregation

When StackHabit considers it to be in your best interest, we may, but are not required to, aggregate your order for the sale or purchase of securities for your account with orders for other Clients of the Program. Under this approach, the transactions may be averaged as to the price and will be allocated among our Clients in proportion to the purchase and sale orders placed for each Client account.

Trade Errors

Consistent with its fiduciary duties, StackHabit's policy is to exercise care in making and implementing investment decisions for Client accounts. StackHabit typically employs operational quality control procedures, however, StackHabit relies on a significant amount of data from multiple sources and cannot guarantee that all relevant data are free from error. Under StackHabit's policy, a trade error will be researched to determine whether Clients were economically harmed as a result of the error. Where it is determined that caused the error, as defined above created losses directly attributable to StackHabit's error we will work with the client to seek an acceptable remedy.

Custody

StackHabit does not maintain custody of Client assets that we manage. Client assets are maintained in an account at a “qualified custodian,” IB. Under StackHabit’s Advisory Agreement, Clients authorize us to instruct the custodian to deduct StackHabit’s advisory fees directly from Client account, which is considered a form of “custody.” For this reason, we are deemed to have “custody” of Client assets for this limited purpose. While StackHabit instructs the custodian to withdraw its fees, the custodian maintains actual custody of Client assets. Clients will receive account statements from the custodian at least quarterly, which will reflect the withdrawal of any fees. All Clients are advised to review their account statements promptly to confirm the accuracy of the information contained. Should discrepancies or errors be found, Clients should contact StackHabit or the custodian directly.

Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information and disclosures about their financial condition. StackHabit does not have any financial condition that is reasonably likely to impair it from meeting its contractual commitments to Clients and has never been subject of a bankruptcy proceeding.

Client Referrals and Other Compensation

StackHabit may engage in certain arrangements in which it pays third parties (e.g., bloggers and others) who post advertisements for a flat fee per each referred client. New clients are advised of the compensation before opening the account. Referring clients and solicitors must adhere to terms and conditions established by StackHabit and set forth in an agreement with StackHabit in accordance with Securities and Exchange Commission Rule 206(4)-3 under the Investment Advisers Act of 1940. Referrals can only be made within the StackHabit’s application or website. Clients are not charged any fee or other costs for being referred to StackHabit by a current client, marketer or solicitor. These arrangements may create an incentive for a third party or other existing client to refer prospective clients to StackHabit, even if the third party would otherwise not make the referral. These arrangements may also create a conflict of interest for a client to maintain a certain level of assets managed through StackHabit if doing so would result in eligibility to receive an incentive, bonus or additional compensation.