



Form ADV Part 2A Appendix 1 - Brochure

Finhabits Advisors LLC
413 w 14th St., Suite 200, New York, NY 10014
www.Finhabits.com

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Item 1 – Cover Page

This wrap fee brochure (“Brochure”) provides information about the qualifications and business practices of Finhabits Advisors, LLC (“Finhabits”), a federally-registered investment adviser (SEC # 801-104472). Registration does not imply a certain level of skill or training but only indicates that Finhabits has registered its business with state and federal regulatory authorities, including the United States Securities and Exchange Commission (SEC). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us at (212) 596 7292 or contact@finhabits.com. Additional information about Finhabits is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

The following information provides a summary of material changes that have been made to this Brochure since the last update on March 30, 2022:

- Schedule A – Updated potential expenses not covered by the Finhabits Fee

Clients and prospective clients may request the most recent version of this brochure by emailing contact@finhabits.com.

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Item 4 - Services, Fees and Compensation

Finhabits Advisors, LLC (“Finhabits”, or “Adviser”) is an online investment adviser registered with the Securities and Exchange Commission (“SEC”) in July 2015. The Adviser is a privately held limited liability company organized under the laws of the state of Delaware in June 2015. Additional information about Finhabits’ products, structure and directors is provided on Part 1 of Finhabits’ Form ADV which is available online at <http://www.adviserinfo.sec.gov>. We encourage clients to visit our website www.finhabits.com for additional information.

Types of Advisory Services

Finhabits offers a wrap fee program (“Program”) and a 3(38) (as defined under the Employer Retirement Income Security Act of 1976 (“ERISA”)) investment adviser or manager to its defined contribution plan clients.

Wrap Fee Program

Finhabits offers a wrap fee program (“Program”) with professional investment advisory services through an online web-based application to individuals and high-net worth individuals. Finhabits’ goal is to provide its clients with an investment management service where they can receive investment advice to help them develop and execute plans that are designed to build and preserve their wealth, and to begin saving and investing for their retirement. Finhabits’ advice is based on the financial profile, age, time horizon, and investment experience of each client. Finhabits will interact with clients using a software application developed by its parent company, Finhabits Inc. Through our website or mobile app (“Sites”), each client enters data and creates a financial goal (“Goal”), which outlines the client’s contributions, timeline and the proposed investment strategy managed by Finhabits. Once the Goal is confirmed and the proposed investment strategy is selected, Finhabits automatically implements the investment strategy and periodically rebalances each client’s portfolio in order to maintain an efficient portfolio in accordance to the Goal. Each client needs to update their personal data through the Sites if their objective, risk tolerance, or life events change. Finhabits will check quarterly with each client to confirm their data remains valid. Although Finhabits requests and captures a wider range of information from clients, the recommendation of the investment strategy is not currently considering that wider range of information.

Finhabits’ unique automated investment service is based on modern portfolio theory that makes it possible for anyone to access state-of-the-art portfolio management. Each individualized portfolio is designed to be consistent with the client’s investment objectives and risk tolerances. The investments in the portfolio will primarily consist of exchange traded funds (“ETFs”) and mutual funds (collectively “Funds”). Clients are not able to change the underlying Funds that comprise each portfolio. Using our technology, we can create an investment plan and manage a client’s portfolio by seeking to identify:

- the optimal asset classes in which to invest;
- the most efficient Funds to represent each of those asset classes;
- the ideal mix of asset classes based on the client’s specific risk tolerance; and,
- the most appropriate time to rebalance the client’s portfolio to maintain intended risk tolerance.

Each client’s Program account (“Account”) will be held in the client’s name at an independent custodian, and not with us. All Accounts managed through the Sites are required to use Apex Clearing Corporation as the independent custodian (“Custodian”).

All clients will receive our Advisory Agreement describing the discretionary authority that a client grants to Finhabits, as well as the services they will receive, fees they will be charged, and the conditions of the relationship. Finhabits does not offer tax, accounting or legal advice.

3(38) Advisory Services

Finhabits offers fiduciary service for retirement plans in the United States (each a “Plan”) and will act as a fiduciary and investment manager to the Plan pursuant to 3(38) of ERISA (3(38) Fiduciary). Finhabits will design the investment structure, including updating the investment options (“401k Funds”), consistent with the Plan’s Investment Policy Statement; will monitor the investment options and will have the discretion to change the menu of investment options, pursuant to Finhabits’ agreement with the Plan. Furthermore, when serving as an ERISA 3(38) investment manager, the Plan sponsor is relieved of fiduciary responsibility for the investment decisions made by Finhabits.

Finhabits, as a fiduciary and investment manager, is required to act prudently when it decides to buy or sell securities or make investment decisions on behalf of the Plan. Finally, Finhabits will acknowledge, in writing, that it is a fiduciary with respect to the Plan.

Finhabits will not receive any fees from the 401k Funds, including fund distribution fees, revenue sharing, advisory fees, or management fees.

Fees and Compensation

Finhabits’ clients pay a monthly Subscription Fee for personal use of the Finhabits’ web or mobile application. The Subscription Fee covers advisory services, execution, clearance, custody, account reporting, and exclusive financial education content. The amount of the Subscription Fee depends on your Monthly Account Balance. Currently, Finhabits waives its minimum subscription fee for Accounts that participate in the Washington’s Small Business Retirement Marketplace (“Marketplace”) and have a balance under \$1,500. Fees for Finhabits’ 3(38) advisory services to Plans are \$2 per month per plan participant regardless of the balance of the participant account. Plans will incur certain charges imposed by unaffiliated parties. Such charges include, but are not limited to, fees paid to the plan’s record keeper or third party administrator or indirect expenses to the 401k Funds. These other fees are not paid to Finhabits.

Monthly Account Balance	Fee
Under \$7,500	\$3
\$7,500 or more	\$3 per \$7,500 of Average Daily Balance

The fees shown above are not negotiable.

Clients will authorize Finhabits and the Custodian to directly debit the Subscription Fee from the client's funding account. In the event we cannot deduct the Subscription Fee from a client's funding account, we reserve the right to withdraw the outstanding minimum subscription due from their Finhabits Account held at the Custodian and/or terminate access to the Program. Clients acknowledge that the \$3 Subscription Fee per month for Accounts with a balance of less than \$7,500 may equate to a significant fee on a percentage basis, depending on the amount the client has invested. This may potentially be a greater fee than a client would pay to other investment advisers which permit a client to invest such an amount.

There are other fees that clients may be charged by other parties. The wrap fee or service fee covers all trade and advisory charges for each Account as part of the Program. However, our fees do not include other related costs and expenses. The Funds recommended by Finhabits have fees that are distinct and separate from the fees paid to Finhabits for its wrap fee program. Clients may also incur certain charges imposed by the Custodian and other third parties, as listed on Schedule A. These include transfer taxes, wire transfers, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Finhabits client's might find that the fees from the advisory and other services that comprise the Program may cause a higher advisory cost than if a client purchased the Funds directly.

Clients should be aware that this wrap account may cost more or less than someone would pay to have all of the services provided separately to them. Factors that would bear upon the cost of this account in relation to receiving the services separately include the number of different service providers needed to achieve the results, the need for increased coordination and management, and the execution capabilities, speed, and efficiency of the various service providers.

Either party may terminate the advisory relationship through our web-based application at any time. If a client wishes to terminate the relationship via email, he or she can contact us at support@finhabits.com. The termination will take effect promptly upon our receipt of the e-mail from the client or the notification from the web-based application. Finhabits may terminate a client's access to our online service if we believe a client is in breach of the Finhabits Terms of Use and/or Advisory Agreement. Subscription fees are not prorated if we or a client terminates access to the Program intra-monthly.

When a Wrap Fee Account is terminated, the securities in the Account will be sold and the cash will be returned to the client's designated bank account usually within 5 business days.

Finhabits reserves the right to reduce or vary any fees associated with the Program at its sole discretion.

Item 5 - Account Requirements and Types of Clients

There are no minimum account size requirements; however, there is a minimum investment of \$5 on account opening. Finhabits offers its advisory services to individuals and high net worth individuals who are legal U.S. residents and maintain a funding account with a U.S. bank.

Finhabits is a software based financial advisor which means each client must acknowledge her ability and willingness to conduct her relationship with Finhabits on an electronic basis. Under the terms of the Advisory Agreement each client agrees to receive all Account information and Account documents (including this Brochure), and any updates or changes to same, through her access to the Sites and Finhabits' electronic communications. Unless noted otherwise on the Sites or within this Brochure, Finhabits' advisory service, the signature of the Advisory Agreement, and all documentation related to the Program are managed electronically. Finhabits does not make individual representatives available to discuss servicing matters with clients.

Item 6 - Portfolio Manager Selection and Evaluation

Portfolio Managers

We do not utilize outside portfolio managers. All client accounts are managed in-house by Finhabits via our web-based application. Finhabits reviews performance information provided through the Custodian.

Advisory Business

Finhabits' sole advisory service is investment management services provided through its Wrap Fee Programs. Please refer to Item 4 for all information pertaining to our advisory business. We tailor our recommendations to meet the financial objectives and risk tolerance of the individual client needs.

Performance-Based Fees and Side-by-Side Management

Finhabits does not charge performance-based fees. Our advisory fees are only charged as disclosed above in Item 4. The Adviser does not perform side-by-side management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Finhabits uses modern portfolio theory to maximize portfolio expected returns for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Based on a proposed financial goal and the client's risk tolerance, Finhabits seeks to create an individualized investment plan using the optimal asset classes in which to invest.

ETFs are Finhabits' main investment instrument, due to low costs, passive management, and availability. We select ETFs for each asset class based on low tracking error, low expense ratio, and high market liquidity. Finhabits has defined a broad scope of asset classes taking into account different regions and subcategories: U.S. equities, foreign developed markets equities, emerging market equities, real estate, natural resources, treasury inflation protected securities, municipal bonds, corporate bonds, emerging

market bonds and U.S. government bonds. Finhabits periodically evaluates the entire population of more than 1,000 ETFs to identify the most appropriate ETFs to represent each asset class.

Finhabits continuously monitors our client's portfolios and periodically rebalances them back to the client's target mix in an effort to optimize returns for the intended level of risk.

Finhabits will also periodically review the entire population of more than 1,000 ETFs to identify the most appropriate ETFs to represent each asset class. We look for ETFs that minimize cost and tracking error and offer market liquidity. Many investors do not realize that ETFs do not exactly track the indexes they were created to mimic. Choosing an ETF with a low expense ratio that does not track the asset class recommended by our service runs the risk of sub-optimizing a client's portfolio's performance. We choose ETFs that are expected to have sufficient liquidity to allow client withdrawals at any time. Finally, we select ETFs that have conservative and shareholder-friendly securities lending policies.

The 401k Funds may include ETFs, mutual funds and collective funds that are not advised by Finhabits. Collective funds function similarly to mutual fund, but they are available only to qualified retirement plans. Collective funds are exempt from registration under the Investment Company Act of 1940 and their governing documents, which include a declaration of trust and a disclosure memorandum, must be delivered privately.

Risk of Loss

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that a client should be prepared to bear. Clients need to remember that past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining Finhabits' services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a client if there is in fact an occurrence.

Advisory Risk – There is no guarantee that Finhabits' judgement or investment decisions about particular securities or asset classes will necessarily produce the intended results. It is possible that clients or Finhabits itself may experience computer equipment failure, loss of internet access, viruses, cyber-attacks, or other events that may impair access to the Sites. Finhabits and its representatives are not responsible to any client for losses unless caused by Finhabits breaching its fiduciary duty.

Software Risk – Finhabits delivers its Program entirely through software. Consequently, Finhabits rigorously designs, develops and tests its software extensively before putting such software into production with actual client accounts and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible, that such software may not always perform as intended or as disclosed on the Sites, or other Finhabits disclosure documents. Finhabits continuously strives to monitor, detect and correct any software that does not perform as expected or disclosed.

Volatility and Correlation Risk - Clients should be aware that Finhabits' asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a client, and may become more acute in times of market upheaval or high volatility.

ETF Risks, including Net Asset Valuations and Tracking Error - ETF performance does not exactly match the performance of the index or market benchmark that the ETF is designed to track because: 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Two Levels of Advisory Compensation - Clients should be aware that to the extent they invest in Funds they will pay two levels of advisory compensation - advisory fees charged by Finhabits plus any management fees charged by the issuer of the Fund. This scenario may cause a higher advisory cost than if a client purchased the Fund directly.

Foreign Investing and Emerging Markets Risk - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Market Risk - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities, and the portfolio that owns them, to rise or fall. Because the value of an investment in a portfolio will fluctuate, there is the risk of loss of money.

Credit Risk - Companies in which the Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or an economic downturn. As a result, companies that the ETF expected to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their

operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

Liquidity Risk - Liquidity risk exists when particular portfolio investments are difficult to purchase or sell. To the extent that the portfolio holds illiquid investments, the portfolio's performance may be reduced due to an inability to sell the investments at opportune prices or times. Liquid portfolio investments may become illiquid or less liquid after purchase by the portfolio due to low trading volume, adverse investor perceptions and/or other market developments. Liquidity risk includes the risk that the portfolio will experience significant net redemptions at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss. Liquidity risk can be more pronounced in periods of market turmoil.

Marketplace Account Risks – Marketplace accounts are subject to various risks, including but not limited to:

Limited Investment Options – Clients may only choose from two investment options: (a) A target date or similar fund, with asset allocations and maturities designed to coincide with the expected date of retirement and (b) a balanced fund. The ongoing investment advice is the responsibility of Finhabits. The choice of the underlying investments of the Marketplace accounts is subject to the approval of the Marketplace.

Potential Changes to the Marketplace – The director of the Marketplace may change or terminate any or all Marketplace services at any time and for any reason. Depending on the nature of the change, a client may be required to participate in the change with respect to Accounts established before the change. Changes to the Marketplace may or may not be beneficial to the client.

Finhabits' Participation in the Marketplace – Finhabits participation in the Marketplace is voluntary and as such, Finhabits may request to be removed from the Marketplace. The Finhabits participation may be revoked by the Marketplace director if Finhabits no longer meets the requirements set forth in the Marketplace terms and conditions.

Voting Client Securities

As a matter of policy, Finhabits does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. We are authorized to instruct the Custodian to forward copies of all proxies and shareholder communications relating to a client's Account to the client. Further, Finhabits will not be required to take any action or render any advice with respect to any securities held in the Account, which are named in or subject to class action lawsuits.

Item 7 - Client Information Provided to Portfolio Managers

Finhabits has access to all client information obtained by Finhabits with respect to the particular client Accounts that they manage. Finhabits does not provide the client information to any other portfolio manager.

Item 8 - Client Contact with Portfolio Managers

Client may contact Finhabits via email at support@Finhabits.com with respect to technical questions regarding the web-based application. Finhabits provides investment advice only through its web-based application.

Item 9 - Additional Information

Disciplinary Information

Like all registered investment advisors, Finhabits is obligated to disclose any disciplinary event that might be material to any client when evaluating our services. We do not have any legal, financial, regulatory, or other “disciplinary” item to report to any client. This statement applies to our firm and to every employee of our firm.

Other Financial Industry Activities and Affiliations

Neither Finhabits nor any of its management persons are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker dealer. Neither Finhabits nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity-trading advisor, or as an associated person to the foregoing list. Neither Finhabits nor any of its management persons have relationships with other entities in the financial services industry that materially affect Finhabits advisory business or its clients.

Finhabits is affiliated with Finhabits Insurance Services LLC through common control and ownership by Finhabits Inc., the same parent company of Finhabits. Finhabits Insurance Services LLC is a licensed insurance broker in multiple states. Finhabits’ investment personnel are not involved with the daily operations of Finhabits Insurance Services LLC.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics (the “Code”) under Rule 17j-1 of the Investment Company Act and Rule 204A-1 of the Investment Advisers Act for certain access persons (“Access Persons”) of the Adviser.

The Code identifies a number of basic principles that guide our business practices and set minimum standards of business conduct. These are the ethical principles on which the Code has been based:

- We must always conduct our business with the highest level of honesty, professionalism and ethical conduct. This high standard must be followed in dealing with employees, business partners, outside agencies, regulatory bodies and clients. Further, we must follow this standard in our handling of actual or apparent conflicts of interest between personal and professional relationships.
- We must strive for full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority (“FINRA”), and other regulatory bodies as well as in our public communications made by the Adviser.
- We must fully comply with applicable laws, governmental rules and regulations.
- We must make every effort to continuously improve and uphold our good reputation with customers and business partners and seek to ensure that our clients are treated fairly and appropriately with every interaction.
- Our entire team must constantly seek to encourage an environment of mutual respect, openness and integrity in the workplace. Further, we encourage every member of the team, at all levels in the organization to foster a spirit of teamwork, entrepreneurial energy and enthusiastic client focused activities that resonate to all involved our commitment to excellence and our higher ethical standard.

The employees of Finhabits and its affiliates have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

The Code is designed to ensure that Access Persons act in the interest of its clients with respect to any personal trading of securities. The Code contains (i) certain reporting requirements applying to purchases of Funds or the purchase of underlying portfolio securities and (ii) securities trading clearance procedures applying to the purchase of portfolio securities. The Code also requires all Access Persons to pre-clear with a compliance officer all trades in stocks, bonds, initial public offerings, and private investments. Subject to the terms of the Code, employees of Finhabits may purchase for their own accounts securities recommended for purchase by clients.

Participation or Interest in Client Transactions

Finhabits may recommend the purchase or sale of Funds in which it has a financial interest. However, without the approval of the Chief Compliance Officer (“CCO”), Finhabits shall not invest in, acquire

investments from, or sell investments to any clients that holds an investment of more than 5% of the outstanding equity of such entity or is in a position of control.

Furthermore, Finhabits has adopted policies and procedures to avoid potential conflicts of interest to the detriment of the Fund:

- Finhabits' CCO will monitor the personal securities transactions of the Adviser's associates to ensure that such persons are fulfilling their fiduciary responsibilities to clients.
- In addition to monitoring securities transactions, the CCO will take all reasonable steps to determine that all associates of the Adviser comply with certain restrictions regarding a) Pre-clearance of Securities Transactions; b) Black-Out Periods; c) Short Term Trading; d) Active Trading by Advisory Representatives for their own Accounts; and, e) filing Quarterly Personal Securities Trading Reports.
- Finhabits and its employees may buy or sell securities that are also held by the clients.
- Employees must comply with the provisions of the Finhabits' Compliance Manual.

Personal Trading

The Chief Compliance Officer of the Adviser is responsible for reviewing all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that Clients are not compromised.

Review of Accounts

Finhabits provides all clients with continuous access via the web-based application for reporting information about Account status, securities positions and balances. Clients may also receive periodic e-mail communications describing portfolio performance, Account information, and product features and reminders to update their investment profile.

Finhabits reviews each client's Account when it is opened, and continuously monitors and periodically rebalances each client's portfolio to seek to maintain a client's targeted risk tolerance and optimal return for the client's risk level. Finhabits also conducts reviews when material changes may have occurred to a client's portfolio or investment objectives. We consider tax implications and the volatility associated with each of our chosen asset classes when deciding when and how to rebalance.

On a quarterly basis, Finhabits contacts each client to remind them to review and update the profile information they previously provided. Finhabits also requests that clients reconfirm the same information on an annual basis. These notifications and confirmations include a link to the client's current information and contact information for the Finhabits support team. Currently the Finhabits team members whose tasks include supervising, arranging and responding to these notifications, confirmations and reviews are: the CCO with help from Client Services.

Finhabits conducts separate reviews related to the Funds used for client portfolios. These reviews are approved by Finhabits' Investment Committee, which has the authority, if necessary, to take action up to and including the removal, addition or replacement of an Fund, from the portfolios advised by Finhabits.

Brokerage Practices

Directed Brokerage

Finhabits does not maintain custody of any client assets that we manage, although we may be deemed to have custody of a client's assets if they give us authority to withdraw advisory fees from their account. All client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

By selecting our Program, all clients are directing us to use Apex Clearing Corporation, a registered broker-dealer, member FINRA/SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Apex. Apex will hold each client's assets in a brokerage account and buy and sell securities when we and/or our client instructs them to. All accounts use Apex as custodian/broker in order to use Finhabits' services. Clients will need to open an account with Apex by entering into an account agreement directly with them. We do not open the account for our clients, although we may assist our clients in doing so. If a client does not wish to place their assets with Apex, then they cannot participate in the Finhabits wrap fee Program.

Because Finhabits is directed to use only Apex, some securities transactions may be executed with higher fees or at slower processing times than if Finhabits used a different broker. However, because clients who pay a wrap fee only pay one fee that includes advisory and brokerage services, the directed brokerage to Apex will not materially affect the client. Because Finhabits covers the brokerage fee, it may face an economic conflict to effect fewer brokerage transactions. Finhabits has policies and procedures to mitigate such conflicts.

How We Select Brokers/Custodians

In determining a custodian/broker to use for our Program, Finhabits based its decision to use Apex Clearing Corporation as the qualified custodian on our evaluation of its services to be most advantageous overall when compared with other available providers and their services. We considered a wide range of factors, including:

1. Competitiveness of the price of those services.
2. Capability to execute, clear, and settle trades (buy and sell securities for each account) itself or to facilitate such services.
3. Capability to facilitate timely transfers and payments to and from accounts.
4. Quality of services.

Best Execution

We have an obligation to seek best execution for our clients. In seeking best execution, the determinative factor is not the lowest possible commission but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including execution capability, commission rates, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

Finhabits anticipates that Apex Clearing Corp. will provide best execution for the client. However, in the event Finhabits determines that Apex Clearing Corp. does not at any time provide best execution in its capacity as a broker/dealer, Finhabits reserves the right to select a different broker/dealer which will provide best execution with respect to such transaction.

Generally, when clients make changes to their accounts during normal stock market hours transactions will be processed momentarily while changes clients make to their accounts when markets are closed will be processed the next business day. Transactions are sometimes subject to processing delays that can cause significant time lapses between the time clients have initiated a change to an account and execution. In particular, processing delays may mean that account changes initiated less than thirty minutes before markets close may not transact until the next business day. Markets generally close at 4:00 PM ET. Further, deposits are automatically subject to a processing period that may be up to five business days or longer; deposit related transactions will not occur until the next business day after this processing period is complete.

Brokerage for Client Referrals

In selecting and/or recommending broker-dealers, we do not take into consideration whether or not we will receive client referrals from the broker-dealer or third party.

Soft Dollars

Apex Clearing Corporation may provide us with certain brokerage and research products and service that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. These research products and services will assist us in our investment decision making process. Such research generally will be used to service all of the clients, but clients who participate in certain strategies may benefit more depending upon the nature of the research.

Because soft dollar benefits could be considered to provide a benefit to the adviser that might cause the client to pay more than the lowest available commission without receiving the most benefit, they are considered a conflict of interest in recommending or directing custodial and third party managerial services. Finhabits mitigates these conflicts of interest through strong oversight of soft dollar arrangement by the CCO, in order to assure the soft dollar benefits serve the best interest of the client. The conflict is also mitigated because the clients pay a wrap fee which includes the brokerage transaction costs.

There may be other benefits from recommending Apex Clearing Corporation such as software and other technology that (a) provide access to client Account data; (b) facilitate trade execution and allocate

aggregated trade orders for multiple client Accounts; (c) provide research, pricing, and other market data; (d) facilitate payment of fees from its client's Accounts; and (e) assist with back-office functions, recordkeeping and client reporting.

Trading

Finhabits anticipates (but is not obligated to) combine or “batch” orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Finhabits clients. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among the Finhabits clients in proportion to the purchase and sale orders placed for each client Account on any given day.

Client Referrals and Other Compensation

Finhabits offers compensation to current clients and solicitors for referring new clients. New clients are advised of the compensation before opening the account. Referring clients and solicitors must adhere to the terms and conditions established by Finhabits and set forth in an agreement with Finhabits in accordance with applicable law. Referrals can only be made within the Finhabits Sites. Clients are not charged any fee or other costs for being referred to Finhabits by a current client, marketer or solicitor. Finhabits or an affiliate may also pay advertisers for driving new users to Finhabits.

Finhabits and/or its affiliates may, from time to time, provide a referral to other unaffiliated third party professionals (“Third Party Professionals”). Unless otherwise indicated by Finhabits in writing, Finhabits does not undertake to, nor does it perform, specific due diligence regarding Third Party Professionals and such referrals do not constitute recommendations by Finhabits of the Third Party Professionals or their services. Services provided by Third Party Professionals are distinct from those provided by Finhabits and its affiliates and additional terms of service may apply.

Financial Information

We do not solicit fees of more than \$1,200, per client, six months or more in advance. As an advisory firm, Finhabits is required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Finhabits does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. We have not been subject of any bankruptcy proceedings. A balance sheet is not required to be provided.

Item 10 - Requirements for State-Registered Advisers

N/A

Schedule A – Potential expenses not covered by the Finhabits Fee

Below is a list of Custodian fees clients may incur that are not included in the Finhabits' wrap fee. These fees would be incurred based on a client's request, beyond the control of Finhabits. Should a client incur any of these fees, such client will be responsible for their payment. This list of fees is the current list of the Custodian fees, as represented to Finhabits, but the Custodian reserves the right to change these fees in the future.

Banking:

Wire Transfers (domestic)	\$25 per wire
Wire Transfers (international)	\$50 per wire
Paper Check Draft USD (domestic)	\$5 per check
Paper Check Draft USD (international)	\$10 per check
Returned Checks / ACH / Wires and Recalls	\$25 per item
ACH Notice of Correction	\$5 per notice
Stop Payments on Apex Issued Checks	\$30 each
Check Copies	\$15 each
Third Party Distribution Notification	\$2 per notification

Operations:

Paper Statement (monthly and quarterly)	\$5 per statement
Paper Tax Statement	\$5 per statement
Paper Trade Confirms	\$2 per confirm
Historical Statements that cannot be retrieved from the SFTP site	\$150 per hour (2 hour min)
Account Transfer Outgoing	\$75 per account
DTC Delivery	\$25 per security
Internal Transfer	\$75 per account
TOD Account Transfer Fee	\$200 per transfer
Mailgrams / NYSE Extensions	\$25 per item
Prepayment if amount less than \$10,000	\$20
Prepayment if amount is over \$10,000	0.2% of unsettled amount

Overnight Mail - Domestic	\$50 per request
Overnight Mail - International	\$100 per request
ADR Cancellation / Creation	\$100 per transaction, plus agent cable fees
Reorg Dividend Check	\$5 per item
Domestic Voluntary / Post Actionable Reorgs	\$50 per CUSIP, per account
Reorg International Voluntary / Post Actionable Reorgs	\$100 per CUSIP, per account
Reorg Death Put	\$100 per request
Reorg Physical Processing Fee	\$125 plus Transfer Agent Fee
Reorg Wire Fee - Domestic	\$25 each
Reorg Wire Fee - International	\$50 each
Margin Sell out Fee	\$25 per ticket
Short Forced Buy-In Fee	\$25 per ticket
Non-transferable stocks	\$10 per month each
Retirement Custodial Account Cancellation Fee	\$40 per account



Form ADV Part 2B – Client Brochure Supplement

Finhabits Advisors LLC
413 w 14th St., Suite 200, New York, NY 10014
www.finhabits.com

March 23, 2023

This Brochure Supplement provides information about certain Finhabits employees that supplements the “Finhabits” Brochure. If you have any questions about the contents of this Brochure, please contact us at (212) 596 7292 or contact@finhabits.com. Additional information about Finhabits is also available on the SEC’s website at www.adviserinfo.sec.gov.

Carlos A Garcia, born 1980

Education

BS, Massachusetts Institute of Technology, 2002

Business Background

2002 – 2006 Assistant Vice President, Merrill Lynch

2006 – 2011 Partner, Galileo Investment Management

2009 – 2012 Co-founder & Board Member, Fundspire Inc

2012 – 2020 Founder and CIO, Madison Quant Labs

2015 – present Founder & CEO, Finhabits Inc.

Disciplinary Information

None

Other Business Activity

None

Additional Compensation

None

Supervision

Mr. Garcia serves as the CEO of Finhabits, and as such is not subject to additional supervision.