

## **Item 1 – Cover Page**

### **Greenwood Investment Advisors, LLC**

**Part 2A of Form ADV**

**Firm Brochure**

**August 8, 2023**

**3280 Peachtree Road**

**Atlanta, GA 30305**

**<https://gogreenwood.com/investments>**

This Brochure provides information about the qualifications and business practices of Greenwood Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at [support@greenwoodvest.com](mailto:support@greenwoodvest.com). 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.

Greenwood Investment Advisors, LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Greenwood Investment Advisors, LLC is also available on the SEC's website at <https://www.adviserinfo.sec.gov> by searching the Firm's CRD Number 327470.

## **Item 2 – Material Changes**

We initially provide you with a copy of our Brochure when we enter into an agreement with you. On an annual basis, we will provide you with a Summary of Material Changes within 120 days of our fiscal year end. In the alternative, we may choose to provide you with a complete copy of our brochure.

As this is an initial filing, there are no material changes to report.

You may request a current copy of our Brochure at any time without charge by contacting us by email at [support@greenwoodvest.com](mailto:support@greenwoodvest.com).

You may also obtain a copy of our current Brochure at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our Firm CRD No. 327470.

## Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	6
Item 7 – Account Requirements and Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Legal & Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics	9
Item 12 – Brokerage Practices	10
Item 13 – Review of Accounts	10
Item 14 – Client Referrals and Other Compensation	10
Item 15 – Custody	10
Item 16 – Investment Discretion	11
Item 17 – Voting Client Securities	11
Item 18 – Financial Information	11

**Important Information:** Throughout his Brochure, Greenwood Investment Advisors, LLC shall also be referenced as “Greenwood”, or “the Firm”, “our”, “we” or “us”.

## **Item 4 – Advisory Business**

### **Introduction**

Greenwood Investment Advisors, LLC is a digital financial services company offering advisory services to retail clients. The Firm is a Delaware limited liability company formed in February 2023, wholly-owned by Greenwood Inc., an entity based in Atlanta, GA.

The primary focus of Greenwood, Inc. and its subsidiaries is to provide education and financial services built for Black America and other underserved communities. Our products and services are designed to help build generational wealth. As Black leaders throughout history have told us, controlling our finances is an effective tool to fight against a history of systemic racism. We are a fully inclusive financial services company.

### **Services**

Greenwood is an automated mobile phone-based investment advisory service offering limited investment advice to retail customers through the Greenwood, Inc. mobile platform (the “platform”). The Firm offers non-discretionary investment advisory services through the platform by assessing your risk tolerance and goals and creating a portfolio designed to meet those objectives. Because we have no discretionary authority over your account(s), you make the ultimate decision regarding the purchase or sale of investments. Other than providing suggested portfolios, we do not tailor our services to your individual financial circumstances.

The program is limited to individual retail investors using the platform and who have an active Greenwood Deposit Account and Greenwood Visa Debit Card.

To use the advisory platform, you must complete an investor profile questionnaire to help identify your investment objective as Maximum Growth, Moderate Growth, Conservative Growth, or Income. Once your investment objective is identified, you may choose a Portfolio that is composed of (a) individual stocks, (b) exchange-traded funds (ETFs), or (c) a combination of stocks and ETFs.

Our Platform uses an algorithm to provide you with portfolio recommendations based on your investor profile. The accuracy of the portfolio recommendations provided by our algorithm depends on the accuracy of your responses to the questionnaire. If your financial circumstances change, we recommend that you update your responses to the questionnaire.

The securities available are a limited universe of publicly traded stocks and Exchange Traded Funds (“ETFs”) which is subject to change, as determined by the fully disclosed clearing firm DriveWealth. All users have access to the same universe of securities.

The Firm is available electronically to you relative to the status of your account. If you have any questions, you may contact [support@greenwoodvest.com](mailto:support@greenwoodvest.com). Customer service representatives are available to help with technical, service or trading-related inquiries.

## **Broker Dealer Election**

We have established a relationship with an independent custodian, DriveWealth, LLC, an SEC registered broker-dealer and FINRA member (the “Broker” or “Custodian”). You must open a brokerage account with the Broker who maintains custody of your assets. The Broker also provides execution, clearing, and settlement services for your account. All account opening functionalities, including identity verification and approval, are handled digitally by Broker. Only individuals will be permitted to establish accounts with the Broker, which shall be in their own name. You will be required to complete all applicable Broker forms and agreements. The Broker reserves the right to reject any account application for any reason whatsoever.

The Broker provides all brokerage services to you, including executing securities purchase and sell orders you enter through our mobile platform or pursuant to your request. The Broker may add or remove any security from the Approved Securities List. If a security is removed from the Approved Securities List, the Broker will limit transactions in that particular security to the liquidation of positions only.

You pay all brokerage and transaction costs for the securities you purchase with the Broker.

## **Program Limitations**

We do not provide comprehensive financial planning services and the investment advisory services provided through our Greenwood Investment Advisors are not a complete investment program. We are not aware of your aggregate investable and invested assets. We encourage you to consider additional asset classes, strategies and investments to supplement your overall investment plan. You should not use Greenwood Investment Advisors as the sole component of your investment program.

Clients are fully responsible for determining when or if to trade.

Our advisory program only offers publicly traded equity and exchange traded fund ETF securities. You may sell your securities or transfer your securities to another account at any time. Please note, however, that fractional shares are not transferable. Fractional shares must be liquidated prior to transferring your account. You may also withdraw available cash out of your brokerage account at any time.

## **Item 5 – Fees and Compensation**

### **Advisory Fees**

In order to open an advisory account, clients must also be a Premium client of Greenwood, Inc., which charges monthly subscription fees. Please visit [www.gogreenwood.com](http://www.gogreenwood.com) for information on the Greenwood, Inc. programs and cost. Clients who are also clients of Greenwood, Inc. are not charged a fee for advisory services.

For clients who have canceled their subscription to Greenwood, Inc.’s program, Greenwood Advisors charges a flat, \$10.00 per month fee, prepaid on the first of each month (the “Advisory Fee”). This fee is not refundable.

You may terminate the investment advisory agreement by providing notice to our firm in accordance with the notice provisions in the advisory agreement you sign when you engage our firm.

At our sole discretion, the fee may be waived from time to time and/or discounted due to special promotions or based on individual client circumstances. All program fees are memorialized electronically, including at Account opening and as agreed to in your Greenwood Advisory Agreement.

To determine whether an investment advisory account is appropriate for you, you should carefully analyze the projected costs of the investment advisory account, such as expected size, volume and frequency of transactions, the volume and frequency of transactions, projected holding period, the securities available and the advisory services provided. Although we believe our fees are competitive, lower fees for comparable services may be available from other investment advisers or broker dealers.

You pay our advisory fee even if you do not buy or sell any securities and whether you make or lose money on your investments. If you hold no assets in your Account, you pay no program fee. Fees and costs will reduce any amount of money you make on your investments over time.

### **Valuation**

The market value of any security or other investment in the account is determined by the Custodian.

### **Additional Fees and Expenses**

You will also incur certain charges imposed by third parties other than the Firm. Investments made through a brokerage account will incur brokerage and transaction costs, including but not limited to fees and expenses charged by investment company securities disclosed by prospectus and the Custodian. A list of Broker/Custodian fees are available at the Broker's website or by contacting Broker.

In addition, fees associated with connecting to our mobile platform, including all internet service and data fees will be charged to you directly by the service provider.

In order to open a Greenwood Advisory account, you must also be a client of Greenwood, Inc., which charges monthly subscription fees. Greenwood Investment Advisors, LLC is a wholly owned subsidiary of Greenwood, Inc. Our parent company offers separate and distinct educational and financial services. If you purchase a subscription from Greenwood, Inc., these fees may be similar to, or more expensive than fees offered by similar firms. Although the Firm does not share in the revenue, we do have an indirect financial interest in having clients subscribe to our parent company's services.

### **Compensation**

Investment professionals are generally compensated both in the form of a fixed monthly fee from the Firm, as well as a discretionary annual bonus based on criteria such as merit, employee performance and performance of the Firm. Investment professionals employed by the Firm are not compensated on a transaction basis. Neither the Firm nor its supervised persons accept compensation for the sale of securities or other investment products.

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

The Firm does not currently charge performance-based fees.

## Item 7 – Account Requirements and Types of Clients

The advisory program is available to individuals who use Greenwood Inc.'s mobile platform. Users must complete a risk profile, meet the requirements to open a brokerage account with the Broker as described above. The minimum investment amount to purchase a security is one dollar. Accounts are limited to individual taxable accounts.

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

As discussed above, when the Firm provides advisory services, it does not exercise discretion over your account. You construct your own portfolio through our platform. The Firm provides investment advice by selecting a curated list of individual stocks and ETFs from which we create portfolios designed to meet certain risk objectives.

### Risk

The Firm cannot guarantee future performance, nor promise any specific level of performance or promise that the Firm's limited advice will be successful. The investment decisions made by the Client are self-directed and subject to various market, currency, economic, political and business risks, and will not necessarily be profitable. Past performance does not indicate future performance. You should be aware of a number of factors that could affect your advisory account, including the following:

**Cybersecurity Risk.** The Firm, its service providers and its counterparties rely on computer systems to conduct their businesses. There is a risk these systems might be compromised by cyberattacks despite the efforts of The Firm, its service providers, and its counterparties to safeguard them. There is a risk that a breach may not be detected. Depending upon its scope, a successful cyberattack could impede these entities' ability to conduct their businesses.

There is also a risk that identity theft could be used to fraudulently withdraw funds from clients' accounts. Internet transmissions are never completely private or secure and any message or information you send to the Firm electronically may be read or intercepted by others, notwithstanding our efforts to protect such information.

**Catastrophe Risks.** These are the risks of loss that may be incurred, indirectly, due to the occurrence of various events, including natural disasters, terrorism, and other events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on the Firm's business and on clients' portfolios.

**Technology Risk.** The Firm must rely on digital and network technologies to conduct its business. These technologies include those owned or managed by the Firm as well as by third parties, including yourself. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our control which could have a material effect on our business or our clients.

**Stock Risk.** Security prices can be volatile and investing in securities involves risk of loss. The value of stocks fluctuates in response to issuing company, market, political and economic developments. Prices may fluctuate, possibly significantly, in a short period of time. New issues may experience increased volatility due to supplier, key employee, financing or other factors. Your account will be subject to general movements in the stock market and the value fluctuations of each particular security.

**Cryptocurrency Based Securities Risk.** Cryptocurrency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Cryptocurrencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not currently backed nor supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional currencies, stocks, bonds or other “traditional asset classes.”

Trading (buying/ selling) in cryptocurrency-based ETFs comes with significant risks, including volatile market price swings or flash crashes, market manipulation, and cybersecurity risks and risk of losing principal or all of your investment. In addition, cryptocurrency markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing. You should have appropriate knowledge and experience before engaging in substantial cryptocurrency ETF trading.

Cryptocurrency trading may not generally be appropriate, particularly with funds drawn from retirement savings, student loans, mortgages, emergency funds, or funds set aside for other purposes. Cryptocurrency trading can lead to large and immediate financial losses.

**Diversification Risk.** Client accounts in the program may be concentrated in a relatively small number of securities, which will expose the account to an industry or market sector. Any such concentration will increase risks associated with the account. Although diversification tends to reduce risks, because the program is non-discretionary, accounts may not be diversified. Losses in one or more positions, or a downturn in an industry or market sector, could adversely affect the account performance.

**Investment Program Risk.** We do not make recommendations of specific securities, and we do not provide comprehensive financial planning services. This program is not a complete investment program. You are encouraged to consider additional asset classes, strategies, and investments to supplement your overall plan. You should not use the program as the sole component of your investment plan. Not all publicly traded securities may be available in the program.

**Trading Risk:** Fractional share trading allows you to purchase securities in dollar amounts rather than share quantities. Trading in fractional shares has unique risks and limitations that you should understand prior to participation in fractional share trading. Fractional shares are not transferable. If you close your account or transfer your account to another firm, the fractional shares held in your account will need to be liquidated. Fractional shares cannot be put into certificate form and mailed. Frequent trading can result in losses from bid-ask spread opportunity costs, taxes, and general market conditions.

**Tax Risk.** You are responsible for tax liabilities arising from transactions in your account. The Firm does not offer tax advice and encourages you to seek the advice of a qualified tax professional.



This list of risks is not designed to be a complete explanation of all the risks involved in investing with this Program but is intended to give investors a sense of the various factors that should be considered when making investment decisions. You should read the entire brochure, client agreement, terms and conditions, and other materials that may be provided by us or within the Advisory program. You may need to consult with professionals such as tax, accounting, legal, or other financial advisers prior to engaging our services.

## **Item 9 – Legal & Disciplinary Information**

As of the date of this brochure, the Firm and its management persons have not been a party to any legal or disciplinary events that would be material to your evaluation of our investment advisory business or the integrity of our management. You can access additional information about our firm and our management personnel on the SEC's website, located at <http://www.adviserinfo.sec.gov>.

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

The Firm is not and does not have a related company that is a (1) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), (2) futures commission merchant, commodity pool operator, or commodity trading advisor, (3) banking or thrift institution, (4) pension consultant, (5) real estate broker or dealer, (6) sponsor or syndicator of limited partnerships, or (7) law firm.

### **Affiliated Entities**

The Firm is affiliated with and wholly owned by Greenwood, Inc., a provider of financial and educational services. We encourage you to access other firms of your choosing to utilize additional financial and educational services.

## **Item 11 – Code of Ethics**

We have adopted a written Code of Ethics that describes our fiduciary duty to our clients, outlines professional standards of conduct, and establishes policies for personal securities activities of employees, and implements procedures designed to mitigate any conflicts of interest. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Firm and persons associated with our Firm may buy or sell securities for their personal accounts that are the same as or different from securities recommended to clients. Our policies and procedures prohibit our Firm and associated persons from trading ahead of clients in the same instruments that we buy or sell for client accounts. However, there may be circumstances in which the Firm or its associated persons have holdings in the same securities that we buy or sell on your behalf. Our policy is that neither the Firm nor any of its associated persons are to benefit from price movements that may be caused by transactions for client accounts.

## **Item 12 – Brokerage Practices**

We do not accept directed brokerage arrangements for our advisory services. 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. The appointment of a registered broker-dealer as the sole Broker for your accounts may result in less favorable executions than may be available using a different broker-dealer.

The Broker does not aggregate orders involving multiple client accounts trading in the same securities.

This program allows you to purchase securities in dollar amounts rather than share quantities. Trading in fractional shares has unique risks and limitations that you should understand prior to participation in our Advisory program.

## **Item 13 – Review of Accounts**

Since our advisory service is non-discretionary, we do not monitor or review your account. We rely on your selection of risk profile to provide an initial portfolio recommendation. If your risk profile changes, you must update your risk profile by retaking the risk questionnaire via the mobile application. If you amend your risk profile, we will recommend a different portfolio based on that change.

You may view your account at any time on the platform. Statements are available from a link to the Broker and statements may be requested from the Broker. The statements are accessible to you no less than quarterly showing the assets in your account, the market value, and your account's performance for the quarter, listing account balance(s), and transaction history. We urge you to carefully review statements received from the Broker and compare them to materials received from us, if any. You should review your account statements promptly to confirm the accuracy of the information contained.

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

We do not receive research or other products or services from the Broker or third-party in connection with client securities transactions ("soft dollar benefits"), nor do we receive client referrals from the Broker.

## **Item 15 – Custody**

We do not maintain custody of your securities or funds. Your funds and securities will be held with the independent, qualified custodian, DriveWealth. You will receive account statements from DriveWealth at least quarterly. You should carefully compare any statements you receive from us with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at [support@greenwoodvest.com](mailto:support@greenwoodvest.com).

## **Item 16 – Investment Discretion**

We do not have investment discretion on your advisory account(s). Because we have no discretionary authority, you make the ultimate decision regarding the purchase or sale of investments. You agree you will be responsible for reviewing available investment options and entering purchase and sell orders in your account through the platform.

From time to time, it may be necessary for Client to instruct the Firm to enter an order on their behalf. In such cases, Client gives the Firm limited trading authorization to carry out Client's transaction instructions regarding the purchase or sale of investments, on behalf of the Client, to brokers and dealers of the Account.

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

We do not vote proxies on your behalf. You will receive proxy materials directly from the Broker or its designee and are solely responsible for voting such proxies.

## **Item 18 – Financial Information**

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is likely to impair our ability to meet our commitments to you.