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## Form ADV Part 2A Brochure

April 17, 2024

This brochure provides information about the qualifications and business practices of One Wealth Capital Management, LLC, which markets their business under the name One Wealth Management, (“One Wealth”). If you have any questions about the contents of this brochure, please contact us at 855-663-9584. 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. One Wealth Capital Management, LLC is a Registered Investment Advisor. Registration as an Investment Advisor with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about One Wealth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for One Wealth is CRD #331395.

## **I T E M 2 - M A T E R I A L C H A N G E S**

### **MATERIAL CHANGES SINCE THE LAST ANNUAL UPDATE**

One Wealth Capital Management, LLC became registered as a Registered Investment Advisor in May 2024 with the Securities and Exchange Commission ("SEC"), under the rules and regulations of the US Investment Advisers Act of 1940, as amended (the "Advisers Act"). One Wealth will provide updates to this document annually within 120 days of the close of the fiscal year, or more frequently in the event of material changes.

Because this is the initial filing of the Firm Disclosure brochure, there are no material updates to report.

### **ANNUAL UPDATE**

The Material Changes section of this brochure is updated annually or when material changes occur since the previous release of the Firm Brochure. Each year, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th. We will further provide you with our most recent brochure at any time at your request, without charge. You may request a brochure by contacting us at 855-663-9584.

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## ITEM 4 - ADVISORY BUSINESS

This Disclosure document is being offered to you by One Wealth Capital Management, LLC ("Firm" or "One Wealth") about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm headquartered in Phoenix, AZ with office locations located in various states. One Wealth was registered with the SEC in May 2024. Jeremy P. Dicker maintains the ownership of the firm and Ericka Herrera is Chief Compliance Officer of the firm.

We are dedicated to assisting clients to build, grow, manage, and safeguard their wealth. Our aim is to offer guidance that enables clients to realize their financial objectives effectively. Specializing in investment for financial independence, which includes retirement investing and income replacement strategies. We tailor our services to meet your specific needs. We offer an initial complimentary meeting upon our discretion; however, our investment advisory services commence only after you and One Wealth execute an Investment Management Agreement, ensuring a clear and mutual understanding of our partnership.

### INVESTMENT MANAGEMENT SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we determine a client's profile, income need, and investment plan, we execute the day-to-day transactions with or without prior consent. Account supervision is guided by the client's written profile and investment plan. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various mutual funds, exchange-traded funds ("ETFs"), alternatives, cash, and individual debt (bonds) and equity securities in accordance with their stated investment objectives. In some cases, our Firm does utilize pre-built portfolios for clients based on their risk tolerance and time horizon.

In personal discussions with clients, we determine their objectives, time horizons, risk tolerance and liquidity and income needs. As appropriate, we also review their prior investment history, as well as family composition and background. Based on client needs, we develop the client's personal profile and investment plan. We then create and manage the client's investments based on that policy and plan. It is the client's obligation to notify us immediately if circumstances have changed with respect to their goals and income needs. As determined through our Firm's initial due diligence with the client, we will determine if clients are seeking an actively managed investment strategy for their account(s). Our Firm will provide ongoing investment review and management services. This approach requires us to periodically review client portfolios.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment philosophy and strategies as described in Item 8 of this Brochure. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

With our non-discretionary relationship, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on your behalf. We do have limited authority to direct the Custodian to deduct our investment advisory fees from accounts, but only with the appropriate written authorization from clients.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

## **SUB-ADVISORY SERVICES**

Our firm may determine that engaging the expertise of an independent sub-advisor is best suited for your account. Our firm will have the discretion to utilize an independent third-party investment advisor to aid in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third-party investment advisor ("Manager") for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, we will hire a Manager for the management of those assets. These advisors shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

Managers selected for your investments need to meet several quantitative and qualitative criteria established by us. Among the criteria that may be considered are the Manager's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- A Manager's past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely effect any Manager's objectives and strategies, and could cause a loss in a Client's account(s); and
- Client risk parameters or comparative index selections provided to our firm are guidelines only and there is no guarantee that they will be met or not be exceeded.

Managers may take discretionary authority to determine the securities to be purchased and sold for the client. As stated in the Discretionary Advisory Agreement, our Firm and its associated persons will have discretionary authority to hire and fire the Manager. Our firm will work with the Manager to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the Client. In all cases, trading restrictions will depend on the Manager and their ability to accommodate such restrictions.

All performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and our firm. Disclosures will indicate what firm is providing the reporting.

Our Firm has entered into agreements with various independent Managers. All third-party Managers to whom we will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure.

We review the performance of our Managers on at least a quarterly basis. More frequent reviews may be triggered by changes in Manager's management, performance or geopolitical and macroeconomic specific events. Our Firm only enters into only a select number of relationships with Managers.

## **FINANCIAL PLANNING SERVICES**

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial

planning ideas and strategies to address the client's holistic financial picture, including estate, income tax (One Wealth is not a tax services Firm and you should always consult a tax professional), charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

**PERSONAL:** We can review family records, budgeting, personal liability, estate information and financial goals.

**TAX & CASH FLOW:** We can analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability. Keep in mind, One Wealth is not a tax services Firm and clients should consult a tax professional for specific tax questions and advice.

**INVESTMENTS:** We can analyze investment alternatives and their effect on the client's portfolio.

**INSURANCE:** We can review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

**RETIREMENT:** We can analyze current strategies and investment plans to help the client achieve his or her retirement goals.

**DEATH & DISABILITY:** We can review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

**ESTATE:** Some personnel that are appropriately licensed can assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

## **RETIREMENT PLAN ADVISORY SERVICES**

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of ERISA, the client may appoint us as the Plan's "investment manager" with respect to the Plan's portfolio of investment options. We acknowledge that we are registered as an investment adviser under the State Securities Statutes. Our firm acts as a "fiduciary" within the meaning of Section 3(21) of ERISA with respect to the Plan.

When serving as an ERISA 3(21) investment adviser, the Plan Sponsor and our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Management Agreement between our Firm and the Plan Sponsor. Under the 3(21) agreement, our Firm can provide the following services to the Plan Sponsor:

- Review or Development of an Investment Policy Statement
- Perform Due Diligence on Money Managers
- Provide Initial Investment and Management Selection - One Wealth typically uses mutual funds/managed accounts/collective trusts/cash equivalents to structure portfolios designed to meet client objectives and risk profiles.
- Provide ongoing Performance Evaluation and Monitoring of Money Managers
- Make Investment Recommendations when necessary

- Retirement Plan Services Analysis - One Wealth will conduct an analysis of a client's retirement plan to evaluate the services currently provided to the client by third parties. The areas of analysis may include asset management services, record keeping, administration, customer service, participant education, etc. These services may also include a cost/benefit analysis, recommendation of alternative vendors, facilitation of the RFP process for solicitation of a new vendor, and/or assistance in fee negotiations with proposed vendors.
- Provide Employee Education Services - One Wealth will provide enrollment and educational services the content of the program will be generic in nature.

#### Participant one-on-ones

We can also be engaged to provide financial education to plan participants. The scope of education provided to participants will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan.

As part of our investment advisory services, our Investment Adviser Representative ("IAR") can make recommendations to plan participants regarding the rollover of employer sponsored retirement plan assets. In the case where an IAR recommends a retirement plan rollover into our individual wealth management advisory program, the IAR will earn a portion of the advisory fee. This presents a conflict of interest because IARs have an economic incentive to recommend you to rollover your retirement plan assets into our individual wealth management services at One Wealth. Plan participants are under no obligation to rollover retirement plan assets to an IRA with our Firm and should carefully consider all relevant factors, such as penalty-free withdrawals, whether loans are permitted, legal protections, required minimum distributions, fees and expenses, service levels, available investment options, employer stock considerations and state taxes.

#### **DISCLOSURE REGARDING ROLLOVER RECOMMENDATIONS**

When a client or prospect leaves an employer, they typically have five options regarding their existing retirement plan: (i) leave the money in the former employer's plan, if permitted; (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted; (iii) rollover to a brokerage (self-directed) Individual Retirement Account ("IRA"); (iv) roll over the assets to an advisory IRA; or (v) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Clients contemplating rolling over retirement funds to an IRA for us to manage are encouraged to first speak with their CPA or tax attorney.

There is an inherent financial incentive for your IAR to recommend that you roll over your assets into one or more accounts, because the enrollment will generate compensation based on the increase in your IAR's total assets under management. We address these financial compensation conflicts by including the disclosure of the conflicts in this brochure and by requiring your IAR to recommend investment advisory programs, investment securities, and services that are in the best interest of each client based upon the client's investment objectives, risk tolerance, financial situation, and cost. As fiduciaries of the Investment Advisers Act of 1940, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way One Wealth makes money creates some conflicts with your interests. Clients are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if the client does complete the rollover, the client is under no obligation to have the assets in an account managed by us.

#### **CONSULTING SERVICES**

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held

businesses. For business owners, our Firm does offer consulting and specializes in generational transitions, sale preparation, and exit planning.

### **WRAP FEE PROGRAM**

One Wealth does not offer a Wrap Program.

### **ASSETS**

Because this is the firm's initial filing with the SEC, there are no assets to reflect at this time.

## **I T E M 5 - F E E S A N D C O M P E N S A T I O N**

### **INVESTMENT MANAGEMENT & FINANCIAL PLANNING SERVICES**

One Wealth charges a fee as compensation for providing Investment Management services. Fee calculations include cash balances invested in money market funds, short-term investment funds, exchange traded funds ("ETFs"), mutual funds, the entire market value of margined assets and short positions (if any), private investments (if any), and all other investment holdings. When invested in a managed model there is typically a small percentage invested in cash as part of that model. That "cash" will be included in the AUM fee. Cash held in other types of accounts, such as a stand-alone money market, a "contribution distribution sleeve" or "non-managed" account (used for purposes of scheduled distributions or flexibility of withdrawals) is "not" included in the fee.

The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. Fees and how they are charged may be negotiable based on factors such as the client's financial situation and circumstances, the amount of assets under management, and the overall complexity of the services provided.

One Wealth's annual fees are based upon a percentage of assets under management not to exceed 1.50%. Fees are billed monthly in arrears and calculated based on the average daily balance of the Account during the current billing period. If services commenced in the middle of the billing period, fees are prorated fee for that billing period.

Although One Wealth has established a maximum annual fee as stated above, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These factors include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among others. The specific annual fee schedule is identified in the contract between the adviser and the client.

At our discretion, we may aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow the client the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee based on the asset levels under management with One Wealth.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. The client will provide written authorization permitting the fees to be paid directly from the account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to client indicating all the amounts deducted from the account including our advisory fees. Refer to Item 15 for details. Clients are encouraged to review your account statements for accuracy.



Either One Wealth or the client may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination. Upon termination, the client is responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Fees for our financial planning portal and services can be paid via credit card. Credit cards will be invoiced and processed through an unaffiliated, third-party vendor. Clients will be asked to set up their credit card at the third-party entity to enable credit card payments. While the third-party entity allows firms like One Wealth to receive payments directly from the client's credit card, it does not give One Wealth access to the credit card account itself. One Wealth is not able to initiate any additional payments via third-party vendor as agreed upon and outlined in the Agreement.

### **SUB-ADVISOR FEES**

As discussed in Item 4 above, there will be occasions where an independent Registered Investment Advisory firm acts as a sub-advisor to our Firm. In those circumstances, the other investment advisor manages the assets based upon the parameters provided by our Firm. The independent sub-advisor Manager will charge an asset-based fee that is in addition to the advisory fee listed above. The total blended fee, including the One Wealth's fee and the sub advisor fee will not exceed 2.00%. The Client, prior to entering into an agreement with the Manager, will be provided with the Manager's Form ADV Part 2A (or a brochure that makes the appropriate disclosures). The Manager's fee may include the securities transaction fees for all trades. Refer to the Managers firm disclosure brochures for more information on the fees associated to each Manager. One Wealth will only receive its investment advisory fees as detailed above and does not share in any fees earned by the Manager. In the event that a client should wish to terminate their relationship with Manager, the terms for the termination will be set forth in the respective agreements between the Client and that Independent Manager. One Wealth will assist the Client with the termination and transition as appropriate.

In no case are our fees based on, or related to, the performance of your funds or investments.

### **FINANCIAL PLANNING FEES**

One Wealth will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. We will determine your fee for the designated financial advisory services based on a fixed fee or hourly arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through One Wealth. Fixed fees for financial plans range from \$10,000 to \$100,000. The specific fixed fee for your financial plan is specified in your planning agreement with One Wealth.

Under our hourly arrangement, financial planning fees are billed at an hourly rate up to \$250.00 per hour depending on the complexity of the client's financial situation. Prior to beginning service, One Wealth will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any retainer you paid, and any hourly fee balance remaining will be billed.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are due upon execution of the Financial Planning Agreement. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on the agreed upon hourly rate (not to exceed \$250.00). Services

provided up to date of termination but not yet paid to One Wealth will be billed to you based on the hourly rate. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

When both investment management or plan implementation and investment management services are offered, there is a conflict of interest since there is an incentive for us offering investment management services to recommend products or services for which One Wealth receives compensation. However, One Wealth will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As an investment management client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

### **EMPLOYER SPONSORED RETIREMENT PLAN SERVICES**

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Employer Sponsored Retirement Plans Investment Advisory Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Asset based fees will not exceed 1.00% annually.

Plan advisory services begin with the effective date of the Employer Sponsored Retirement Plans Investment Advisory Agreement, which is the date you sign the Employer Sponsored Retirement Plans Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter or month as outlined in the Agreement. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Agreement.

Either party may terminate the Investment Advisory Agreement at any time upon immediate notice. You are responsible to pay for services rendered until the termination of the Agreement.

### **CONSULTING**

One Wealth provides consulting services for clients who need advice on a limited scope of work. One Wealth will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above.

### **ADMINISTRATIVE SERVICES**

We have contracted with various non-affiliated, third-party entities to utilize their technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third-party entity will have access to information on the client accounts, but the third-party entity will not serve as an investment advisor to our clients. One Wealth and the third-party entities are non-affiliated companies. The third-party entities charge our Firm an annual fee for each account administered by each third-party entity. Please note that the fee charged to the client will not increase due to the annual fee One Wealth pays to the third-party entity, the annual fee is paid from the portion of the management fee retained by One Wealth.

### **OTHER ADDITIONAL FEES**

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Mutual Fund Fees:** Mutual funds often offer multiple share classes with differing internal fee and expense structures. One Wealth endeavors to identify and utilize the share class with the lowest internal fee and expense structure for each mutual fund. However, instances occur in which the lowest cost share class is not used. These instances include but are not limited to: Instances in which a certain custodian has a share class available that has a lower internal fee and expense structure than is available for the same mutual fund at other custodians. In such instances, One Wealth will select the lowest cost share class available at the custodian that holds your account even though a lower cost share class is available at another custodian. Instances in which the custodian that holds your account offers others a share class with a lower internal fee and expense structure than what is available to One Wealth at the same custodian. In such instances, One Wealth will select the lowest cost share class that the custodian makes available. This situation sometimes occurs because the custodian places conditions on the availability of the lower cost share class that One Wealth has determined are not appropriate to accept due to additional costs imposed by said conditions. Instances in which a share class with a lower internal fee and expense structure becomes available after the share class you hold was purchased. One Wealth periodically monitors this circumstance. However, a share class with a lower internal fee may become available between the time of your purchase and One Wealth's next review. Instances in which a share class with a lower internal fee and expense structure than the share class you currently hold is available at your custodian, but where One Wealth is prevented by either the custodian or the fund sponsor from converting to the lower cost share class. Additionally, One Wealth does not convert to a share class with a lower internal fee and expense structure if the conversion will cause a taxable event or other expense/cost to you that negates the advantage of the lower cost share class.

**Non-Transaction Fee (NTF) Mutual Funds** When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund. The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

**Regulatory Fees** To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for certain covered securities. This fee is not charged by our Firm but is assessed and collected by the custodian. The Custodian that our Firm uses, is a FINRA member firm. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals. The fee rates vary depending on the type of transaction and the size of that transaction. For more information on the SEC and FINRA fees, please visit their websites: [www.sec.gov/fast-answers/answerssec31htm.html](http://www.sec.gov/fast-answers/answerssec31htm.html) or [www.finra.org/industry/trading-activity-fee](http://www.finra.org/industry/trading-activity-fee).

## **ITEM 6 - PERFORMANCE - BASED FEES AND SIDE - BY - SIDE MANAGEMENT**

One Wealth does not engage in performance-based fees. No supervised person is compensated by performance-based fees. Performance-based fees may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk.

## ITEM 7 - TYPES OF CLIENTS

One Wealth works with the following types of clients: individuals, high net-worth individuals, foundations, trusts, estates, corporations, pension and profit-sharing plans, and charitable organizations.

Our Firm requires an account minimum of \$1,000,000 to initiate the advisory and asset management services. This account minimum may be waived upon the Firm's discretion.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

One Wealth takes a macro-environmental approach to tactical asset allocation with sector rotation and uses a relative growth/value framework in determining sub-asset classes. This top-down method allows One Wealth to assess the investing landscape and provide recommendations as to when and where it may be advantageous to modify exposures within the asset classes, market segments, and sectors.

**GROWTH STRATEGIES:** One Wealth's growth strategies consist of investments spanning a broad range of asset classes that are selected for their long-term risk/return characteristics as well as their correlation to the overall markets and appropriateness for each client's portfolio. The resulting blended allocation is used as the foundation for the client's growth portfolio. Portfolio rebalancing is discretionary and will be based on individual portfolio considerations. There is no guarantee as to the number of times a portfolio is rebalanced each year. Other asset classes and opportunistic investments are added to the growth portfolio to create a customized allocation that is appropriate for client's investment objectives, time horizon, and risk tolerance. Examples of investments which may be included as part of One Wealth's growth strategies include individual equities and exchange traded funds (ETFs).

**FIXED INCOME STRATEGIES:** Fixed income investments such as bonds, notes, and certificates of deposit are intended to provide diversification, generate income, and to preserve and protect assets. Generally, the stabilizing influence of fixed income comes at the cost of lower returns relative to growth investments. One Wealth's fixed income portfolios generally consist of high quality domestically issued bonds, both taxable and tax-free. Examples of investments which may be included as part of One Wealth's fixed income strategies include individual government, municipal, and corporate bonds, certificates of deposits, exchange traded funds (ETFs), and money markets.

### METHODS OF ANALYSIS

While there may be some similarities in the portfolios created by our Firm, we understand that every client has their own unique planning needs. We have the ability and flexibility to create portfolios to help our client achieve their goals. We may utilize the following forms of analysis:

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Quantitative Analysis:** We use mathematical ratios and other performance appraisal methods in an attempt to obtain more accurate measurements of a model manager's investment acumen, idea generation, consistency of purpose and overall ability to outperform their stated benchmark throughout a full market cycle. Additionally, we perform periodic measurements to assess the authenticity of

returns. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Technical Analysis:** We use this method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

## RISK OF LOSS

A client's investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. One Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk.

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

Our methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investors should be aware that accounts are subject to the following risks:

**MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. These stocks have historically been more volatile than the stocks of larger, more established companies.

**INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

**CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.

**LIQUIDITY RISK:** Liquidity risk is the risk that there may be limited buyers for a security when an investor wants to sell. Typically, this results in a discounted sale price in order to attract a buyer.

**DEFAULT RISK** - A default occurs when an issuer fails to make payment on a principal or interest payment.

**EVENT RISK** - Event risk is difficult to predict because it may involve natural disasters such as earthquakes or hurricanes, as well as changes in circumstance from regulators or political bodies.

**POLITICAL RISK** - Political risk is the risk associated with the laws of the country, or to events that may occur there. Particular political events such as a government's change in policy could restrict the flow of capital.

**DURATION RISK** - Duration is a way to measure a bond's price sensitivity to changes in interest rates. The duration of a bond is determined by its maturity date, coupon rate, and call feature. Duration is a method to compare how different bonds will react to interest rate changes. If a bond has a duration of five (5) years it means that the value of that security will decline by approximately five percent (5%) for every one percent (1%) increase in interest rates.

**REINVESTMENT RISK:** Reinvestment risk is the risk that future interest and principal payments may be reinvested at lower yields due to declining interest rates.

**TAX RISK:** For municipal bonds, depending on the client's state of residence, the interest earned on certain bonds may not be tax-exempt at the state level. Also, changes in federal tax policy may impact the tax treatment of interest and capital gains of an investment.

**REGULATORY RISK:** Market participants are subject to rules and regulations imposed by one or more regulators. Changes to these rules and regulations could have an adverse effect on the value of an investment.

**CONCENTRATION RISK:** The risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to your overall portfolio.

**SECURITIES LENDING RISK** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**EXCHANGE-TRADED FUNDS** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**CYBERSECURITY RISK** - In addition to the Material Investment Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our Firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

**COMMODITIES RISK** - Exposure to commodities in Adviser Clients accounts is in non-physical form, such as ETFs or mutual funds, there are risks associated with the movement in gold prices and the ability of the fund or trust manager to respond or deal with those price movements. There also may be initial charges as well as annual management fees associated with the fund or trust.

**EXCHANGE-TRADED FUND ("ETF") AND MUTUAL FUND RISK** - Investments in ETFs and mutual funds have unique characteristics, including, but not limited to, the ETF or mutual fund's expense structure. Investors of ETFs and mutual funds held within One Wealth client accounts bear both their One Wealth portfolio's advisory expenses and, indirectly, the ETF's or mutual fund's expenses. Because the expenses and costs of an underlying ETF or mutual fund are shared by its investors, redemptions by other investors in the ETF or mutual fund could result in decreased economies of scale and increased operating expenses for such ETF or mutual fund. Additionally, the ETF or mutual fund may not achieve its investment objective. Actively managed ETFs or mutual funds may experience significant drift from their stated benchmark.

**OPTION RISK**- Variable degree of risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. Traders of options should calculate the extent to which the value of the options must increase for the position to become profitable, taking into account the premium and all transaction costs.

- The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures below). If the purchased options expire worthless, the purchaser will suffer a total loss of the investment. In purchasing deep out-of-the-money options, the purchaser should be aware that the chance of such options becoming profitable ordinarily is remote.
- Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures below). If the option is "covered" by the seller holding a corresponding position in

the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

- Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

**MARGIN RISK**- When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by your custodian.

**NON-LIQUID ALTERNATIVE INVESTMENTS** - From time to time, our Firm will recommend to certain qualifying clients that a portion of such clients' assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively, "Nonliquid Alternative Investments"). Nonliquid Alternative Investments are not suitable for all of our Firm's clients and are offered only to those qualifying clients for whom our Firm believes such an investment is suitable and in line with their overall investment strategy. Nonliquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), or "qualified client" under the Investment Advisors Act of 1940, or "qualified purchaser" under the Investment Company Act of 1940. Nonliquid Alternative Investments present special risks for our Firm's clients, including without limitation, limited liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Nonliquid Alternative Investment invests part or all of its assets in real estate properties, there are additional risks that are unique to real estate investing, including but not limited to: limitations of the appraisal value; the borrower's financial conditions (if the underlying property has been obtained by a loan), including the risk of foreclosures on the property; neighborhood values; the supply of and demand for properties of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters. The above list is not exhaustive of all risks related to an investment in Nonliquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Nonliquid Investment is set forth in that fund's offering documents, which will be provided to each client subscribing to a Nonliquid Alternative Investment, for review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

**STRUCTURED NOTES** - Structured products are designed to facilitate highly customized risk- return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates, or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation. Investment in structured products includes significant risks, including valuation, liquidity, price, credit, and market risks. One common risk associated with structured products is a relative lack



of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency. Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment- grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

**ALTERNATIVE INVESTMENTS:** Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative investment practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; potential for restrictions on transferring interest in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor; absence of information regarding valuations and pricing; potential for delays in tax reporting; less regulation and typically higher fees than other investment options such as mutual funds. The SEC requires investors be accredited to invest in these more speculative alternative investments. Investing in a fund that concentrates its investments in a few holdings may involve heightened risk and result in greater price volatility.

## **ITEM 9 - DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our Firm and/or our management personnel do have material, reportable disciplinary events to disclose. You may visit [advisorinfo.sec.gov](https://advisorinfo.sec.gov) to review each investment advisors' individual disclosures and One Wealth's disclosures.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

One Wealth does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities. Neither our Firm nor any of its management persons are registered or have an application pending to register as a broker-dealer.

### **INSURANCE**

Some of our IARs are also licensed insurance agents and sell various life insurance products through our affiliated licensed insurance agency, One Wealth Management Financial & Insurance Services, Inc. One Wealth Management Financial & Insurance Services, Inc. is under common ownership with our Firm and is 100% owned by Linn Jeremy Dicker, a managing member of One Wealth. Because we are under common ownership and our firm's IARs are licensed Insurance agents with One Wealth Management Financial & Insurance Services, Inc., there is a conflict of interest to clients because our firm and our IARs receive compensation (commissions, trails, or other compensation from the respective insurance products) as a result of effecting insurance transactions for clients.

Commissions generated by insurance sales do not offset regular advisory fees. The firm and the IAR have an incentive to recommend insurance products and this incentive creates a conflict of interest between your interests and our Firm. We mitigate this conflict by disclosing to clients they have the right to decide whether or not to engage the services of our IARs or our affiliated Insurance agency. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place the client's interests first and have established policies in this regard to avoid any conflicts of interest.

### **SUB ADVISOR RELATIONSHIPS**

Please refer to Item 4 and Item 5 above for more information about the selection of sub- advisors used with our services. Our firm pays a portion of the advisory fee to the sub- advisor. A conflict of interest for our firm in utilizing a sub advisor is receipt of discounts or services not available to us from other similar sub advisers. In order to minimize this conflict our firm will make our recommendations and selections of sub-advisors in the best interest of our clients.

### **DISCLOSURE OF CONFLICTS OF INTEREST**

Our management personnel and investment advisor representatives may engage in outside business activities. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering the implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client. Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates inherent conflicts of interest in the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm, investment advisors, and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our investment advisors and employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically review these outside employment activities of the investment advisor to verify that any conflicts of interest continue to be properly disclosed by the investment advisor; and
- we educate our investment advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **ITEM 11 - CODE OF ETHICS , PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

One Wealth has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our investment advisors and employees, including compliance with applicable federal

securities laws. One Wealth and its investment advisors owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the reporting and review of personal securities transactions reports by our Firm's investment advisors and employees. In addition, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

One Wealth's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all investment advisors are reminded that such information may not be used in a personal or professional capacity. One Wealth and its investment advisors are prohibited from engaging in principal transactions and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our investment advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing investment advisors to invest for their own accounts. Our Firm and/or investment advisors or employees may buy or sell for their personal accounts securities that are identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of our Firm that no investment advisor may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such investment advisor(s) from benefiting from transactions placed on behalf of advisory accounts.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy by calling us at 855-663-9584.

## **I T E M 1 2 - B R O K E R A G E P R A C T I C E S**

### **THE CUSTODIAN AND BROKERS WE USE**

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc., collectively ("the Custodians"), which are Member FINRA/SIPC, registered broker-dealers, and qualified custodians. We are independently owned and operated, and unaffiliated with the Custodians. The Custodians will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

While we recommend that clients use our recommended Custodians, clients must decide whether to do so and open accounts with the Custodian by entering into account agreements directly with the Custodian. The accounts will always be held in the name of the client and never in our firm's name. Even though clients maintain accounts at certain Custodians, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

### **HOW WE SELECT BROKERS/CUSTODIAN**

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to buy and sell securities for client accounts.

3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
5. Availability of investment research and tools that assist us in making investment decisions.
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices.
8. Reputation, financial strength, and stability
9. Prior service to our Firm and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from the Custodians)

#### **CLIENT BROKERAGE AND CUSTODY COSTS**

For client accounts that the Custodian maintains, the Custodian generally does not charge separately for custody services. However, the Custodian receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Custodian accounts. In addition to commissions, the Custodians charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different custodian but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Custodian account. These fees are in addition to the ticket charges or other compensation the client pays the executing custodian. We have determined that having selected Custodians execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodian).

#### **PRODUCTS AND SERVICES AVAILABLE TO US FROM CUSTODIAN**

The Custodians will provide our Firm and our clients with access to institutional brokerage, trading, custody, reporting, and related services. The Custodians also make available various support services which help us manage or administer our clients' accounts and help us manage and grow our business. the Custodian's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of the Custodian's support services:

#### **SERVICES THAT BENEFIT OUR CLIENTS**

The Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The Custodian's services described in this paragraph generally benefit our clients and their accounts.

#### **SERVICES THAT MAY NOT DIRECTLY BENEFIT OUR CLIENTS**

The Custodians also make available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at specific Custodians. In addition to investment research, the Custodians also make available software and other technology that:

1. Provides access to client account data (positions, trades, statements, cost basis, etc).
2. Facilitates trade execution and allocates aggregated trade orders for multiple client accounts.
3. Provides pricing and other market data.
4. Facilitates payment of our fees from our clients' accounts.
5. Assists with back-office functions, recordkeeping, and client reporting.

## **SERVICES THAT GENERALLY BENEFIT ONLY US**

The Custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications or conferences on practice management & business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

The Custodians may provide some of these services themselves. In other cases, it will arrange for third-party vendors to provide the services to us. The Custodians may also discount or waive their fees for some of these services or pay all or part of a third party's fees. The Custodians may also provide us with other benefits, such as occasional business entertainment for our personnel. The Custodians provide these additional services and support to the Advisor in their sole discretion and at their own expense, and Advisor does not pay any fees to the Custodians for this. As part of our fiduciary duties to clients, we always endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of the Custodian for custody and brokerage services. The Custodians may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

## **OUR INTEREST IN CUSTODIAN'S SERVICES**

The availability of these services from the Custodians benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to the Custodians. We believe that our selection of the Custodians as Custodians and brokers is in the best interest of our clients.

Some of the products, services and other benefits provided by the Custodians benefit our Firm and may not benefit our client accounts. Our recommendation or requirement that clients place assets in the Custodian's custody may be based in part on benefits Custodians provide to us, or our agreement to maintain certain Assets Under Management at the Custodians, and not solely on the nature, cost or quality of custody and execution services provided by the Custodians.

## **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

## **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

Transactions for each client will be affected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or people associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment. We combine multiple orders for shares of the same securities purchased for discretionary accounts.

## **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes a trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade

error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the Custodian will be responsible for covering all trade error costs. We will never benefit or profit from trade errors.

#### **DIRECTED BROKERAGE**

One Wealth does not routinely require that clients direct us to execute transactions through a specified broker dealer. Additionally, we typically do not permit clients to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

## **ITEM 13 - REVIEW OF ACCOUNTS**

#### **ACCOUNT REVIEWS AND REVIEWERS**

Our Investment Adviser Representatives will monitor investment management client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. Clients are urged to notify us of any changes in your personal circumstances.

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for. Ongoing management of the financial planning portal is maintained by our Firm.

#### **STATEMENTS AND REPORTS**

Performance reports from our Firm are generated for clients during annual reviews or as requested.

The Custodian for the individual client's account will also provide clients with an account statement at least quarterly. Clients are urged to compare the reports provided by One Wealth against the account statements the clients receive directly from your account custodian.

Once financial plans have been delivered, clients do not receive reviews of their plans unless they have scheduled a follow-up consultation. Follow-up consultations may require the execution of an additional agreement for services rendered.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

We receive an economic benefit from the Custodians in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of the Custodian's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

At times, we will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses.

Receipt of these travel and marketing expense reimbursements are dependent upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control this conflict by always basing investment decisions on the individual needs of our clients. Our Firm and our supervised persons do not accept or receive compensation based on the sale of securities. Supervised people can be compensated for obtaining prospective clients through marketing initiatives.

One Wealth may be asked to recommend a financial professional, such as an attorney, accountant or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

## **ITEM 15 - CUSTODY**

One Wealth does not have physical custody of any client funds and/or securities and does not take custody of client accounts at any time. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian.

### **DEDUCTION OF ADVISORY FEES**

One Wealth is deemed to have limited custody of client funds and securities whenever One Wealth is given the authority to have fees deducted directly from client accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from One Wealth. When the client has questions about their account statements, the client should contact One Wealth or the qualified custodian preparing the statement.

### **STANDING LETTERS OF AUTHORIZATION TO 3<sup>RD</sup> PARTIES**

Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisors Act of 1940 ("Advisors Act"). The letter provided guidance on the Custody Rule as well as clarified that an Advisor who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians. The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **ITEM 16 - DISCRETION**

Before One Wealth can buy or sell securities on your behalf, the client must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization forms. By choosing to do so, the client may grant the Firm discretion over the selection and number of securities to be purchased or sold for the client's account(s) without obtaining your consent or approval prior to each transaction. Clients may impose limitations on discretionary authority for investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.), as well as other limitations as expressed by the client. Limitations on discretionary authority are required to be provided to the IAR in writing. Please refer to the "Advisory Business" section of this Brochure for more information on our discretionary management services.

In some instances, One Wealth may not have discretion. One Wealth will discuss all transactions with the client prior to execution or the client will be required to make the trades in an employer sponsored account.

## **ITEM 17 - VOTING CLIENT SECURITIES**

As a matter of One Wealth policy, One Wealth does not vote proxies on behalf of clients. Therefore, it is your responsibility to vote for all proxies for securities held in your Account. The client will receive proxies directly from the qualified custodian or transfer agent; we will not provide the client with the proxies. Although we do not vote client proxies, if the client does have a question about a particular proxy feel free to contact the custodian directly.

## **ITEM 18 - FINANCIAL INFORMATION**

As an advisory firm that maintains discretionary authority for client accounts, One Wealth is also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. One Wealth has no such financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six (6) months in advance of services rendered. Therefore, we are not required to include a financial statement. One Wealth has not been the subject of a bankruptcy petition at any time during the past ten (10) years.