

**Item 1: Cover Sheet**

**FORM ADV PART 2A**

**APPENDIX 1**

**WRAP FEE PROGRAM BROCHURE**

**LIBERTY ONE WEALTH ADVISORS**

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**This wrap fee program brochure provides information about the qualifications and business practices of Liberty One Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at 215-776-4918 or via email at [gdileonardo@libertyonewealth.com](mailto:gdileonardo@libertyonewealth.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.**

**Liberty One Wealth Advisors is registered as an Investment Adviser with the Securities and Exchange Commission. Our registration does not imply a certain level of skill or training.**

**Additional information about Liberty One Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2: Statement of Material Changes**

In this Item, Liberty One Wealth Advisors is required to discuss any material changes that have been made to the brochure since the last annual updating amendment. Since the last filing, the firm has changed its registration from State to Federal (Securities Exchange Commission).

### **Item 3: Table of Contents**

#### **TABLE OF CONTENTS**

|          |   |    |
|----------|---|----|
| Item 1:  | Cover Sheet   | 1  |
| Item 2:  | Statement of Material Changes   | 2  |
| Item 3:  | Table of Contents   | 3  |
| Item 4:  | Service, Fees and Compensation  | 4  |
| Item 5:  | Account Requirements and Types of Clients   | 6  |
| Item 6:  | Portfolio Manager Selection and Evaluation  | 6  |
| Item 7:  | Client Information Provided to Portfolio Managers                                     | 6  |
| Item 8:  | Client Contact with Portfolio Managers  | 6  |
| Item 9:  | Performance-Based Fees  | 7  |
| Item 10: | Types of Clients  | 7  |
| Item 11: | Methods of Analysis, Investment Strategies and Risk of Loss                           | 7  |
| Item 12: | Additional Information  | 9  |
|          | Other Financial Industry Activities and Affiliations                                  | 10 |
|          | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 10 |
|          | Review of Accounts  | 11 |
|          | Client Referrals and Other Compensation   | 11 |
|          | Financial Information   | 12 |

## WRAP FEE PROGRAM BROCHURE

### LIBERTY ONE WEALTH ADVISORS

#### **Item 4: Service, Fees, and Compensation**

Liberty One Wealth Advisors (“LOWA”) offers a wrap fee program whereby the firm manages client accounts for a single convenient wrap fee that includes investment advisory services, portfolio management services, custody and clearance services and transaction costs. Additionally, certain of LOWA’s Supervised Persons, in their individual capacities, offer insurance products under a separate commission-based arrangement.

LOWA serves as the portfolio manager and seeks long-term growth of clients’ financial assets while emphasizing preservation of capital. Prior to engaging LOWA to provide services through the wrap fee program, the client is required to enter into an Investment Management Agreement with LOWA which sets forth the terms and conditions of the engagement and the scope of services to be provided. Clients may impose restrictions on investing in specific securities, industries, or sectors.

#### **Advisory Fee**

LOWA charges a single convenient “wrap fee” for these services. The fee is payable monthly in advance and is based on the average daily balance of the prior month. For portfolio values above \$500,000, the first fee payment is due upon execution of the Investment Advisory Agreement and will be assessed pro-rata in the event the agreement is executed at any time other than the first business day of a calendar quarter. The pro-rata calculation will begin on the first day of the calendar month that follows the execution of the Investment Advisory Agreement (for example, if the Investment Advisory Agreement is executed in January, pro-rata billing will begin February 1<sup>st</sup>). For portfolio values below \$500,000, Client shall pay Adviser a flat fee, paid in advance, of \$4,000. Lower fees may be negotiated at LOWA’s sole discretion. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades.

LOWA’s standard advisory fee is based on the market value of the assets under management and is calculated as follows:

| Account Value                          | Annual Advisory Fee |
|--|---------------------|
| <b>First \$0 - \$500,000</b>           | Flat fee - \$4,000  |
| <b>Next \$500,001 - \$1,000,000</b>    | 1.1%                |
| <b>Next \$1,000,001 - \$2,000,000</b>  | 1%                  |
| <b>Next \$2,000,001 - \$5,000,000</b>  | .80%                |
| <b>Next \$5,000,001 - \$15,000,000</b> | .70%                |
| <b>Next \$15,000,001 and Above</b>     | Customized          |

## **Other Charges**

Clients referred to an Investment Manager will pay fees to that Investment Manager. There may or may not be additional fees or expenses to third parties or Investment Managers, depending on the Investment Manager and the agreement between that Investment Manager and their client. Clients should thoroughly and carefully review all materials from any Investment Manager prior to executing or otherwise entering into any agreement with an Investment Manager. Clients may incur other expenses with the implementation of advice provided such as commissions, custodian fees, or ETF expenses. None of these fees are payable to LOWA. The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), fees for trades executed away from the custodian, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Please refer below to Item 12, Brokerage Practices, for further information.

## **Compensation for Recommending the Wrap Fee Program**

LOWA has no arrangements in place whereby persons recommending the wrap fee program are entitled to receive additional compensation as a result of clients' participation.

Products & Services Available to Us From Schwab - Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab. Schwab has eliminated commissions for online trades of equities, ETFs, and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](https://schwab.com/aspricingguide)

Services that Benefit Client - Schwab'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 Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients.

Services that May Not Directly Benefit Clients - Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;

- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Schwab offers other services intended to help us manage and develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

#### Assets under Management

As of December 31, 2023, LOWA has approximately \$99,463,867 in assets under management, in 586 accounts. Of that total, all are managed on a non-discretionary basis.

### **Item 5: Account Requirements and Types of Clients**

We provide financial planning and portfolio management services to individuals, high net-worth individuals, and some institutions. There is no minimum to become a client of LOWA.

### **Item 6: Portfolio Manager Selection and Evaluation**

The wrap fee program offered by LOWA is sponsored by the firm, and LOWA is the only portfolio manager. The only fees covered under the wrap fee program are transaction fees associated with the purchase and sale of securities in an account managed by LOWA. All client accounts managed by LOWA, including wrap fee program clients, are managed with similar processes, although account recommendations may differ.

### **Item 7: Client Information Provided to Portfolio Managers**

When evaluating the recommendations for a client, LOWA considers their income level/tax rate, risk tolerance, and overall financial picture to get a strong idea of what's best for them. With that in mind, LOWA makes recommendations around their investment management, noting the risk profile of the 3rd party manager and cost to the client. LOWA ensures all client questions are answered and they are fully aware of the risks involved in anything they are investing in.

### **Item 8: Client Contact with Portfolio Managers**

Clients may contact LOWA, the only portfolio manager, at any time.

**Item 9: Performance-Based Fees**

LOWA will not charge performance-based fees.

**Item 10: Types of Clients**

We provide financial planning and portfolio management services to individuals, high net-worth individuals and some institutions. There is no minimum to become a client of LOWA.

**Item 11: Methods of Analysis, Investment Strategies and Risk of Loss**

Asset allocation strategies are developed for each client based on the financial plan created and are assigned a percentage allocated towards equity investments, a percentage allocated towards fixed income investments, and if suitable a percentage allocated towards alternative investments. Cash is not included in this allocation strategy. LOWA typically recommends that clients have two years' worth of expenses set aside for emergency purposes or market events.

LOWA almost strictly uses Exchange-traded Funds (ETF's) as opposed to mutual funds and will go through a detailed discussion with the client on the differences between the two. Ultimately, LOWA believes ETFs are the most cost effective and tax efficient investment for most clients.

The ETFs chosen for client portfolios are evaluated for cost and performance. LOWA chooses a selection of large cap growth, large cap value, small cap, international and emerging markets ETFs as the main equity pieces of the portfolio. On the fixed income side, LOWA chooses long duration, mid duration, short duration and international bond ETFs. All ETFs are evaluated on an annual basis. LOWA may also choose alternative asset categories that are suitable in light of the client's investment goals, objectives, and risk tolerance. These alternative investments may include, but are not limited to, gold, real estate, venture capital limited partnerships, private equity, managed future funds, hedge funds, and third-party funds of funds.

LOWA uses a rebalancing strategy whereby rebalancing occurs when the market is up 5% or down 5%. Clients are notified at each rebalancing event via email and are encouraged to ask questions and/or discuss the rebalancing with their advisor at any time.

Some clients may want to invest in municipal bonds or may have current investments chosen based on complex tax strategies. For such clients, LOWA may recommend the use of a third-party money manager. In selecting managers for recommendation, LOWA considers the specific expertise of the manager, the background and prior experience of each portfolio manager and the manager's regulatory history and filings.

**Material Risks Involved**

It is important for clients to know and remember that all investments carry risks. **Investing in securities involves risk and may result in a loss of clients' original investment which clients should be prepared to bear.**

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational

success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

**Exchange Traded Funds:** Prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the clients invest.

**Mutual Funds:** When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment



practices of an underlying fund (such as the use of derivatives). When selecting mutual funds that have multiple share classes for recommendation to clients, we will take into account the internal fees and expenses associated with each share class, as it is our policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise.

**Alternative Asset Classes:** Many alternative investments are illiquid, which means that the investments can be difficult to trade. Consequently, such holdings may limit a client's ability to dispose of such investments in a timely manner and at an advantageous price.

**Equity Securities:** Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

**Fixed Income:** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by the Fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

**Real Estate Investment Trust (REIT):** A REIT is an entity, typically a trust or corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income, and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

## **Item 12: Additional Information**

### **Disciplinary Information**

#### **A. Criminal or Civil Actions**

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LOWA and its management have not been involved in any criminal or civil action.

#### **B. Administrative Enforcement Proceedings**

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LOWA and its management have not been involved in administrative enforcement proceedings.

**C. Self-Regulatory Organization Enforcement Proceedings**

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LOWA and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of LOWA or the integrity of its management.

**Other Financial Industry Activities and Affiliations**

**A. Broker-dealer**

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None of the principals of LOWA, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

**B. Futures Commission Merchant/Commodity Trading Advisor**

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None of the principals of LOWA, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

**C. Relationship with Related Persons**

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This item is not applicable.

**D. Recommendations of Other Advisers**

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LOWA may at times recommend unrelated, third-party investment managers or professionals who have a greater expertise in certain disciplines when appropriate for the client. We do not receive any compensation from the unrelated, third-party investment managers or professionals, nor do we charge any additional fee to our clients for the recommendation to selection of third party investment managers or professionals.

**E. Licensed Insurance Brokers**

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One or more of LOWA's Supervised Persons are licensed insurance brokers and offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that LOWA recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. LOWA has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

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

- A. A copy of the Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, and entertainment.
- B. LOWA does not recommend to clients that they invest in any security in which LOWA, or any principal thereof has any financial interest.
- C. Firm principals may at some point recommend and choose to invest in a security in their personal account that is already in, or being considered for, a client account. Principals will not place personal trades before client trades in the same security.

- D. Firm Principals may at some point choose to invest in a security in their personal account at the same time that security is being traded for or being considered for, a client account. Principals will not place personal trades before client trades in the same security at the same time.

## **Review of Accounts**

All client profiles will be managed on an ongoing basis, with formal reviews with the client on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual review conducted by LOWA is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from their custodians.

## **Client Referrals and Other Compensation**

LOWA engages independent solicitors to provide client referrals. If a client is referred to us by a solicitor, this practice is disclosed to the client in writing by the solicitor and LOWA pays the solicitor out of its own funds—specifically, LOWA generally pays the solicitor a portion of the advisory fees earned for managing the capital of the client or investor that was referred. The use of solicitors is strictly regulated under applicable federal and state law. LOWA's policy is to fully comply with the requirements of Rule 206(4) -3, under the Investment Advisers Act of 1940, as amended, and similar state rules, as applicable.

LOWA has contracted with AXG Advisors (AXG) whereby LOWA may refer its clients to AXG for long term care, term, and other types of insurance. To the extent insurance products are purchased through AXG by advisory clients, LOWA will receive a percentage of the commission earned by AXG, who issues the policy. This creates a conflict of interest as there is an incentive for LOWA to recommend insurance products based on the compensation received, rather than on clients' needs. Notwithstanding such conflict of interest, we address our fiduciary duty by recommending insurance products only where it is in the best interest of clients, and after consultation with the client.

LOWA will perform and document periodic reviews of referral activity to confirm procedures are being followed. LOWA will make it clear to each client referred that the company may receive income from the arrangement.

## **Financial Information**

LOWA does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.