

# Ocho Investment Advisors, LLC

## Form ADV, Part 2A

### Ocho Investment Advisors Brochure

#### Item 1- Cover Page

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Date of Brochure: March 20, 2024

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

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

Additional information about Ocho Investment Advisors, LLC is also available on the SEC's website at <https://www.adviserinfo.sec.gov> by searching the Firm's CRD Number 323620.



## Item 2 – Material Changes

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

Item 4 – Advisory Business – Addition of “Automated” discretionary account services and individual taxable accounts.

Item 5 – Fees & Compensation – Advisory services are available only to clients of The Vibes Company, Inc. Advisory fees are waived for current clients of The Vibes Company, Inc.

You may request a current copy of our Brochure at any time without charge by contacting us by email at [support@carrymoney.com](mailto:support@carrymoney.com) or by phone at (201) 472-0612 .

You may also obtain a copy of our current Brochure at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our Firm CRD No. 323620.

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

## Item 4 – Advisory Business

### Introduction

Ocho Investment Advisors, LLC is a digital financial services company offering advisory services limited to Solo 401(k), IRA and individual taxable account clients. The Firm is a Delaware limited liability company formed in September 2022, wholly owned by The Vibes Company Inc. (Vibes).

### Services

The Firm offers non-discretionary and discretionary limited advisory services to Solo 401(k), IRA and individual customers through our web or mobile platform.

#### **Ocho Advisory**

The Firm offers non-discretionary investment advisory services (**Flexible** Accounts) through our web or mobile platform by assessing your risk tolerance, recommending certain ETFs based on that assessment. Because we have no discretionary authority over your account(s), you make the ultimate decision regarding the purchase or sale of investments and we will not monitor your account.

The accuracy of your investor profile will affect the results of our recommendations. When your profile requires updates or corrections, you may make changes by accessing your settings page in the app. Other than providing these recommendations, we do not tailor our services to your individual financial circumstances.

The Firm also offers discretionary investment advisory services (**Automated** Accounts). We will construct a diversified portfolio comprised of ETFs based on your risk profile. Automated Accounts are rebalanced automatically and daily for cash balance, allocation drift and changes to the portfolio holdings. Portfolio holdings are reviewed by our investment committee at least quarterly.

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

Our advisory platform is available through our parent company, Vibes. Any information provided by Vibes is for informational and general educational purposes only and is not investment advice. Any graphs, charts and other visual aids that are provided are for informational purposes only, not to be used to make investment decisions. Certain hypothetical scenarios that are described in The Vibes Company, Inc. app or marketing materials are for illustrative purposes only and the securities described are not actual securities held by client accounts. Inclusion of such scenarios is not intended as a recommendation to purchase or sell any security and performance of these scenarios does not indicate actual results.

## **Broker Dealer Election**

For the Ocho Advisory program, we have established a relationship with an independent custodian, DriveWealth, LLC, an SEC registered broker-dealer and FINRA member (the “Broker” or “Custodian”). You must open a brokerage account with the Broker who maintains custody of your assets. The Broker also provides execution, clearing, and settlement services for your account. All account opening functionalities, including identity verification and approval, are handled digitally by Broker. You will be required to complete all applicable Broker forms and agreements, including a limited power of attorney, if required, which authorizes the Broker to deduct our fees from your accounts pursuant to your agreements with us. The Broker reserves the right to reject any account application for any reason whatsoever.

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

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

## **Program Limitations**

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

**Automated** accounts are not tax sensitive; that is, when partial holdings of securities are sold, they are sold on a first-in-first-out (FIFO) basis, not by highest cost, which could result in capital gains.

Ocho is an internet-based advisor; that is, we provide its investment advice exclusively through an online algorithmic-based program that clients interact with directly.

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

## **Item 5- Fees and Compensation**

### **Advisory Fees**

In order to open an Invest Account, OIA clients must also be a client of The Vibes Company Inc. (Vibes), which charges yearly subscription fees. The Vibes Basic Plan costs \$299 annually and includes optional

advisory services. Please visit [www.carrymoney.com](http://www.carrymoney.com) for information on the Vibes programs and costs. OIA clients who are also clients of Vibes are not charged a fee for advisory services.

For OIA clients who have canceled their subscription to Vibes' program and are no longer clients of Vibes, OIA will cease to provide advisory services. Any investment account under this scenario may remain open indefinitely, but the client will not be able to purchase securities or deposit funds, only sell securities, withdraw funds or transfer to another broker.

This is a conflict of interest. While we do not charge an advisory fee for our services, advisory clients must pay a subscription fee to our parent company. The subscription fees for The Vibes Company, Inc. may be more costly than other firms offering the same services. We benefit indirectly from the fees paid to our parent company. OIA mitigates this conflict by clear disclosure provided at the time of account opening.

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

To determine whether an investment advisory account is appropriate for you, you should carefully analyze the projected costs of the investment advisory account, such as expected size, volume and frequency of transactions, the volume and frequency of transactions, projected holding period, the securities available and the advisory services provided. Although we believe The Vibes Company, Inc.'s fees are competitive, lower fees for comparable services may be available from similar firms.

## **Valuation**

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

## **Additional Fees and Expenses**

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

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

In order to open an Ocho Advisory account, you must also be a client of Vibes, which charges yearly subscription fees. Ocho Investment Advisors is a solely owned subsidiary of The Vibes Company, Inc. Our parent company offers separate and distinct Solo 401(k) plan set-up and other educational services. If you purchase a subscription from Vibes, these fees may be similar to, or more expensive than fees offered by other similar firms. Although the Firm does not share in the revenue, we do have an indirect financial interest in having clients subscribe to our parent company's services.

## **Compensation**

Investment professionals are generally compensated both in the form of a fixed monthly fee from the Firm, as well as a discretionary annual bonus based on criteria such as merit, employee performance and performance of the Firm. Investment professionals employed by the Firm are not compensated on a

transaction basis. Neither the Firm nor its supervised persons accept compensation for the sale of securities or other investment products.

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

The Firm does not currently charge performance-based fees.

## Item 7 – Account Requirements and Types of Clients

The advisory program is available to Solo 401(k), IRA and individual clients who use our web or mobile platform. Users must complete a risk profile and meet the requirements to open a brokerage account with the Broker as described above. The minimum investment amount to purchase a security is one dollar.

Clients must engage Vibes' services in order to open Invest Accounts and remain clients of Vibes in good standing to receive advisory services.

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

As discussed above, for **Flexible** Accounts, when the Firm provides investment advice, it does not exercise discretion over your account. You construct your own portfolio through our platform. The Firm provides investment advice by recommending appropriate investments per your risk tolerance and investment profile.

It is the opinion of Ocho Investment Advisors that ETFs provide a low cost, diversified means to create a portfolio. Ocho creates an initial list of ETFs using data available from Morningstar Inc. This list is then screened according to the following criteria:

Funds with at least \$1 billion in assets

Funds with less than .2% in expense ratios

Funds with at least 3 year track records

Each profile list is constructed to ensure diversification across asset types. More aggressive risk profiles are presented with a list that includes funds with more sector concentration, such as technology and real estate, when compared to the list that is presented to a conservative risk profile, and the average standard deviation of the funds in the list is higher than for a more conservative risk profile.

The Firm also offers discretionary investment advisory services (**Automated** Accounts). To produce the portfolios, the investment committee reviews a list of ETFs that meet a set of criteria for fund size, fund age, and fees. The committee constructs a diversified portfolio, using a set of constraints to ensure adequate diversification and mean-variance optimization to generate portfolio weights across a range of risk-adjusted portfolios. These portfolios are then assigned to clients based on the client's responses to an investment onboarding survey, which the client can update at any time. We additionally will regularly prompt the client to review their responses to the investment survey to ensure their answers are current.



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

Each client has the ability to impose reasonable restrictions on his/her account, including the purchase and sale of available securities in the account. Clients may open both **Flexible** and **Automated** accounts.

### **Risk**

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

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

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

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

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

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

**Diversification Risk.** Client accounts in the program may be concentrated in a relatively small

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

**Investment Program Risk.** This program is not a complete investment program. You are encouraged to consider additional asset classes, strategies and investments to supplement your overall plan. You should not use the program as the sole component of your investment plan. Not all publicly traded securities are available in the program.

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

**Tax Risk.** You are responsible for tax liabilities arising from transactions in your account. The Firm does not offer tax advice and encourages you to seek the advice of a qualified tax professional. **Automated** accounts are not tax sensitive; that is, when partial holdings of securities are sold, they are sold on a first-in-first-out (FIFO) basis, not by highest cost, which could result in capital gains.

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

## Item 9- Legal & Disciplinary Information

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

## Item 10- Other Financial Industry Activities and Affiliations

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

## Affiliated Entities

The Firm is affiliated with and wholly owned by The Vibes Company Inc., a Solo 401(k) Plan service and publisher of financial and educational information. We encourage you to access other publishing firms of your choosing to gather additional financial and educational information.

## Item 11- Code of Ethics

We have adopted a Code of Ethics that governs the activities of each member, officer, director and employee of the Firm (collectively, "Employees"). We hold our Employees to a high standard of integrity and business practices that reflects our fiduciary duty to clients. We will provide a copy of our Code to clients and prospective clients upon request. Such a request may be made by submitting a request to the email address listed on the cover page to this brochure.

## Item 12- Brokerage Practices

We do not accept directed brokerage arrangements for Ocho Advisory services. In seeking best execution, the determinative factor is not just cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the Broker's services. The appointment of a registered broker-dealer as the sole Broker for your accounts may result in less favorable executions than may be available through the use of a different broker-dealer.

The Broker will aggregate orders involving multiple client accounts trading in the same securities in **Automatic** Accounts, but not in **Flexible** Accounts.

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

## Item 13- Review of Accounts

For **Flexible** Accounts, because we have no discretionary authority over your account(s), you make the ultimate decision regarding the purchase or sale of investments and we will not monitor your account. The accuracy of your investor profile will affect the results of our recommendations. When your profile requires updates or corrections, you may make changes by accessing your settings page in the app. Other than providing these recommendations, we do not tailor our services to your individual financial circumstances.

For **Automated Accounts**, portfolio composition is reviewed by our investment committee at least quarterly. Client accounts are rebalanced automatically and daily for cash balance, allocation drift and changes to portfolio holdings according to parameters OIA has created. We rely on your selection of risk profile to provide alerts on your securities purchases. If your risk profile changes, you must update your risk profile on your settings page in the app.

You may view your account at any time on the Advisory platform. Statements are available from a link to the Broker and statements may be requested from the Broker. The statements are accessible to you no less than quarterly showing the assets in your account, the market value, and your account's

performance for the quarter, listing account balance(s), and transaction history. We urge you to carefully review statements received from the Broker and compare them to materials received from us, if any. You should review your account statements promptly to confirm the accuracy of the information contained.

## Item 14- Client Referrals and Other Compensation

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

## Item 15- Custody

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

## Item 16- Investment Discretion

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

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

For **Automated** Accounts, OIA does have investment discretion. This means that we have authority, without prior consultation with you, to buy, sell, trade and allocate securities and cash investments in your account. We will select a portfolio via the Automated account in response to your answers to the online questionnaire.

## Item 17- Voting Client Securities

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

## Item 18- Financial Information

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

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

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## Business Continuity

The Firm has adopted a Business Continuity Plan (“BCP”) that provides for the continuation of business-critical functions as a result of events or disasters. The recovery strategies the Firm employs are designed to limit the impact on clients from such business interruptions. Although the Firm has taken reasonable steps to develop and implement a business continuity plan, unforeseen circumstances may create situations where the Firm is unable to fully recover from a significant business interruption. However, the Firm believes its BCP process reduces the risk in this area.

The Firm’s BCP Disclosure statement is available upon request at [support@carrymoney.com](mailto:support@carrymoney.com), or may be reviewed on our public website at <https://www.carrymoney.com>.

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