

# Form ADV Part 2A Brochure

OneDigital Investment Advisors, LLC  
(Retirement Plan Division)  
11101 Switzer Road, Suite 200  
Overland Park, KS 66210  
877-742-2021

<https://www.onedigital.com/solutions/financial-services/>

March 29, 2024

This Brochure provides information about the qualifications and business practices of OneDigital Investment Advisors, LLC (“OneDigital”). If you have any questions about the contents of this Brochure, please contact us at 877-742-2021. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority.

OneDigital is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 and has a duty to act in its clients’ best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of this Part 2A Brochure and individual Part 2B Brochure Supplements is to disclose those material facts and conflicts of interest.

Additional information about OneDigital is also available via the SEC’s web site: [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2 – Material Changes**

This Brochure, dated March 29, 2024, represents the annual update to the firm’s brochure, which was filed on March 29, 2023.

OneDigital has revised the exchange traded funds (“ETFs”) it often uses in its Personalized Portfolio program which manages investment allocations for retirement plan participants. Specifically, it divided its Equity ETF into separate Domestic Equity and International Equity ETFs, divided its Bond ETF into separate accumulation and decumulation focused ETFs, and replaced its Risk Mitigation ETF into a Diversifying Strategies ETF consisting of investments in real estate investment trusts and commodities.

Because it is no longer marketing EvoShare to its retirement plan clients, OneDigital has removed its description of the service from Item 14 – Client Referrals and Other Compensation.

Pursuant to SEC Rules, OneDigital will deliver a summary of any materials changes to this and subsequent Brochures to you within 120 days of the close of our fiscal year, as well as providing notices of material changes as necessary. All such information will be provided to you free of charge.

OneDigital’s Brochure may be requested by contacting 877-742-2021. Additional information about OneDigital is also available via the SEC’s web site [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with OneDigital who are registered as investment adviser representatives of the firm.

## Item 3 -Table of Contents

### Contents

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

#### **Item 4 – Advisory Business**

OneDigital is registered as an investment adviser with the United States Securities and Exchange Commission (CRD # 106766). OneDigital was organized as a corporation under the laws of the State of Missouri in 1987 and was converted to a limited liability company in 2018. Pursuant to a Unit Purchase Agreement dated January 21, 2020, OneDigital is now a wholly owned subsidiary of Digital Insurance LLC. The firm changed its legal name in 2023 from “Resources Investment Advisors, LLC” to “OneDigital Investment Advisors LLC” to reflect its integration with its parent company.

OneDigital provides investment advisory and management services to the sponsors of retirement plans, as well as third party administration (TPA) services. In addition, it also provides investment management services to the plans’ participants. (OneDigital also provides investment advisory, investment management, and financial planning services to individual and institutional clients, and those services are outlined in a separate brochure specifically tailored to the firm’s Wealth Management Division.)

For the sponsors of retirement plans, OneDigital will either serve as the plan’s investment adviser pursuant to §3(21) of ERISA (in which case OneDigital will recommend investment decisions for approval by the plan’s named fiduciaries) or as the plan’s investment manager pursuant to §3(38) of ERISA (in which case OneDigital will manage the plan’s investment decisions on a discretionary basis). In either case, OneDigital will assist the plan sponsor with any notices or transactions resulting from a change in the plan’s investment options.

If the plan consists of pooled accounts, OneDigital’s services will involve providing advice or management on the actual investment of the plan’s assets. However, the vast majority of OneDigital’s retirement plan clients consist of participant-directed, defined-contribution plans, in which its services involve the provision of advice or management on the investment options that will be made available to the plan’s participants.

In rendering these services to most participant-directed plans, OneDigital works with the plan’s named fiduciaries to evaluate the demographics of the plan’s participants to select investment options that are appropriate for their retirement needs based upon ERISA §404(c)’s requirement that such plans offer a “broad range” of investment options. The plan’s named fiduciaries can impose restrictions on the types of investments that may be held by, or offered through, the plan, and those guidelines are typically referenced in the plan’s investment policy statement. However, OneDigital generally does not provide advice regarding the inclusion of the plan’s sponsor’s stock within the plan.

OneDigital offers additional services to its retirement plan clients, including without limitation, assisting the plan's named fiduciaries with drafting the plan's investment policy statement, selecting an appropriate qualified designated investment alternative ("QDIA"), and providing investment education and enrollment services for the plan's participants. In addition, OneDigital now offers plan participants with financial planning assistance, debt counseling services, and other financial wellness tools as part of its Personal Financial Planning program.

As of December 31, 2023, OneDigital managed approximately \$107,102,318,821 in assets, of which approximately \$35,028,099,577 was managed on a discretionary basis and approximately \$72,074,219,244 was managed on a non-discretionary basis.

Because the investment management services OneDigital offers to plan participants through its Personalized Portfolios program differs significantly from the advice given to the sponsors of these participants' plans, OneDigital collects a separate fee for each service and has included both the plans' and the participants' assets in the calculation of its regulatory assets under management – which results in the double counting of these assets. Specifically, as of the date of this disclosure, OneDigital managed approximately \$1,346,353,598 through its Personalized Portfolio program and those assets were counted toward the assets it managed on a discretionary basis. Depending upon whether it served as the investment adviser or investment manager of the participants' retirement plan, those same assets were also included in OneDigital's calculation of the assets it managed for retirement plans on a discretion non-discretionary basis.

## **Item 5 – Fees and Compensation**

Pursuant to §408(b)(2) of ERISA, OneDigital and other vendors providing services to a retirement plan or its participants must disclose all direct and indirect compensation they will receive in exchange for the services they provide to a retirement plan. OneDigital's agreements with its plan sponsor clients disclose the services it will provide and the fee it will charge for those services, which serves as its ERISA §408(b)(2) disclosure.

For investment advisory/management services, OneDigital charges its fees either on a percentage of assets in the retirement plan or as a flat annual fee. Those fees are negotiable and vary greatly based upon the size of the plan and the services OneDigital will be providing. In fact, many plans select their investment adviser by soliciting competitive bids from multiple advisers. As a result, it is impossible to provide a fee schedule that would be relevant to all retirement plan clients.

For its Personalized Portfolios program, OneDigital enters into a separate agreement with each participant that discloses its management fee, which is based upon a percentage of the value of the participant's plan account. A portion of that fee is used to pay the plan's recordkeeper

for providing access for OneDigital to process trades on its platform, as well as to compensate the recordkeeper for calculating and processing the management fee. If OneDigital uses a sub-adviser to make investment allocation decisions and trades in the participants' accounts, it also pays a portion of the management fee to the sub-adviser.

OneDigital's advisory fee does not include any applicable taxes; confirmation fees for trades; custodial fees; brokerage commissions; transaction fees; charges imposed directly by a mutual fund, index fund, or exchange traded fund (as disclosed on the fund's prospectus), as well as other fees imposed by the plan's recordkeeper/custodian for securities transactions. The plan's administrator is required to provide participants with a disclosure of the costs associated with the investment options offered under the plan, pursuant to §404a-(5) of ERISA.

Retirement plan clients can decide whether the fees will be paid directly by the plan sponsor or deducted from plan assets. When OneDigital's advisory fees are paid from plan assets, it must rely upon the plan's recordkeeper to collect that fee and the recordkeeper's policies will determine the amount of applicable assets, as well as whether OneDigital's fee will be paid in advance or in arrears. This is also true for OneDigital's Personalized Portfolios program. However, if the plan sponsor pays OneDigital's fee directly – as is often the case for the fees OneDigital charges for its Personal Financial Planning services – OneDigital will charge a flat fee and the parties can negotiate when those payments will be due.

Either party can terminate the agreement upon 30 days' prior written notice to the other. If the advisory fee had been collected in advance and the agreement is terminated in the middle of a calendar quarter, any unearned fees paid in advance will be refunded to the client on a pro-rata basis.

Because it would likely be deemed a prohibited transaction under ERISA (as well as being a general conflict of interest), OneDigital and its investment adviser representatives are not permitted to accept any compensation for the sale of any securities or investment products when they are acting as a fiduciary investment adviser or investment manager for a retirement plan or participant, except to the extent that compensation is used to offset OneDigital's advisory fee. For that reason, while some of OneDigital's investment adviser representatives are also registered representatives of broker-dealers such as, they rarely offer securities or insurance brokerage services to retirement plan clients.

There are several exceptions to this rule, though. For example, when advisers who had previously serviced their retirement plan clients on a brokerage basis are acquired by OneDigital, it may take time for them to transition those accounts to an investment advisory platform. In those cases, OneDigital's investment adviser can be paid on a commission basis through the broker-dealer with whom they are registered, but those commissions are typically used to offset OneDigital's advisory fee.

In addition, some of OneDigital's investment adviser representatives assist sponsors of "frozen defined benefit plans" to offload some or all of their liability for making future payments to beneficiaries through the purchase of an insurance annuity. (A "frozen defined benefit plan" is one that is no longer enrolling new participants but has a continuing duty to pay previously vested benefits.) As compensation for providing these services, the employee and/or investment adviser representative may collect a consulting fee from the client and/or a commission for the sale of the insurance annuity.

Finally, some of OneDigital's employees and/or investment adviser representatives assist employers in establishing non-qualified, executive benefit plans. Because these activities involve the sale of insurance products, those employees and/or investment adviser representatives will typically receive a commission on the sale of the selected insurance product. However, those services are not considered investment advice, and clients are reminded they have the option to purchase these insurance products from other agents, brokers or investment adviser representatives not affiliated with OneDigital.

When OneDigital's employees or investment adviser representatives recommend commissioned-based products in those situations, a conflict of interest arises because their compensation is based upon the sales commission offered by the product, as opposed to the client's needs. Therefore, clients should understand that they have the option to purchase any products OneDigital's employees or investment adviser representatives recommend through other brokers or insurance agents that are not affiliated with OneDigital.

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

OneDigital does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

OneDigital's Retirement Plan Division provides investment advisory and management services to the sponsors of many distinct types of retirement plans that are eligible for tax deferment under the Internal Revenue Code. It also provides investment advisory and management services to the participants of defined-contribution plans. There is no minimum amount of assets required for OneDigital to provide these services.

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

For ERISA qualified, participant-directed, defined-contribution plans, OneDigital's first concern is to ensure the plan complies with ERISA §404(c)'s requirement by offering a "broad array" of investment options to enable participants to develop a diversified portfolio. If the

plan already has an investment policy statement (“IPS”), OneDigital analyzes the investment options offered through the plan’s platform provider to help ensure there is adequate representation of investment categories for the plan’s participants to select from to construct a diversified portfolio. If the plan does not have an IPS, OneDigital can work with the plan to draft one to guide the plan fiduciaries’ oversight of its investment options.

Once the investment categories are identified, OneDigital further refines them into the investment styles offered within each category. OneDigital then analyzes the choices available within each classification based upon investment style (including style consistency), risk and return characteristics, and performance versus the peer group median. Qualitative factors, such as the investment’s operating expenses and tenure of its investment manager are also considered. Based upon this analysis, OneDigital will recommend or select the investment options it believes are best suited to be made available to a plan’s participants. Thereafter, OneDigital scores the various investment options each quarter. Those options that underperform are placed on a “watch list” and, if the underperformance continues, OneDigital may recommend or select another investment option(s). OneDigital also monitors the participants’ demographics and utilization of the selected investments to help ensure they have relevant choices and understand how to utilize those options to build a suitably diverse investment portfolio.

One investment classification that is typically made available to plan participants is some type of money market or stable value fund, each of which has advantages and disadvantages. In particular, money market funds, which are designed to maintain a steady net asset value of \$1 per share, provide more liquidity but lower returns than stable value funds, which invest in high quality, short- to intermediate-term bonds. In addition, because some recordkeeping platforms require the utilization of their own money market or stable value fund, OneDigital may not have the ability to recommend other alternatives without requiring that the plan switch recordkeepers.

In 2023, the Department of Labor issued a rule that permits plan fiduciaries to consider extraneous factors (including, but not limited to, “ESG factors”) when making investment decisions – especially if plan participants are requesting these options. However, a plan fiduciary cannot use extraneous factors to make investment decisions if they will lead to lower returns or greater risk. As a result, such extraneous factors should only be considered as a tie-breaker after purely pecuniary factors as used to evaluate potential investment options.

When OneDigital is managing a plan’s pooled investments, it applies Modern Portfolio Theory to develop an investment strategy that is appropriate for the plan’s objectives. Specifically, OneDigital will consider the plan’s current funding status, the demographics of its intended beneficiaries, and annual investment return needs to construct a portfolio that adequately balances the plan’s investment risks and growth requirements.



For its Personalized Portfolios program, OneDigital will either utilize investment options available in the plan's core lineup or collective investment trusts ("CITs") it manages through Alta Trust. OneDigital then typically employs a sub-adviser to use its proprietary algorithms to construct a customized allocation for each participant based upon information (age, gender, income, current savings, etc.) provided by the plan's recordkeeper.

In the past, OneDigital utilized separate ETFs focused upon equity, fixed income and risk mitigation strategies in its Personalized Portfolios program. However, in 2023, the following changes were implemented: 1) The Equity ETF was replaced with separate Domestic Equity and International Equity ETFs. 2) The Fixed Income ETF was replaced with separate Core Plus Bond (for the accumulation phase) and Income Tilted Bond (for the decumulation phase) ETFs. 3) The Risk Mitigation ETF was replaced with a Diversifying Strategies ETF consisting of real estate and commodities holdings.

The CITs are not registered as mutual funds under the Investment Company Act of 1940 or as securities under the Securities Act of 1933. As a result, participants invested in those CITs are not entitled to the protections of those statutes. Instead, the CITs are regulated by state banking authorities and the Office of the Comptroller of the Currency, which is part of the U.S. Treasury. In addition, they are subject to oversight by the IRS and Department of Labor. OneDigital prefers to utilize CITs when possible because they generally charge lower fees than comparable mutual funds. Although OneDigital serves as the investment manager for those CITs, it does not receive a fee or other compensation for providing those services. Instead, the only compensation OneDigital receives for its Personalized Portfolio program is the investment management fee listed on the client's agreement.

Clients must remember that investing in securities involves risk of loss, which they should be prepared to bear. These risks include market risk, interest rate risk, currency risk, and political risk, among others. No investment strategy, nor the use of a third-party manager, can assure a profit or avoid a loss, and OneDigital does not guarantee any level of investment returns.

## **Item 9 – Disciplinary Information**

OneDigital and its "management persons" are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management, such as criminal convictions or violations of securities laws. (A "management person" is generally defined as any of the firm's principal executive officers and members of the firm's investment committee.) Neither OneDigital nor any of its managers are currently subject to, or have ever been subject to, any material events resulting from a legal or disciplinary action. The investment adviser representatives working on a client's account are also required to disclose any such events in their biographies, which are provided in a separate

document (ADV Part 2B).

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

The majority of OneDigital's investment adviser representatives provide services to their clients as employees of OneDigital, but some are employed by, or acting as independent contractors for, independent financial services firms that operate under their own brand name. Because those independent financial services firms are not licensed investment advisers, their employees and independent contractors register through OneDigital to provide their investment advisory services. Therefore, even though those investment adviser representatives are not employees of OneDigital, it is statutorily responsible for supervising their investment advisory activities and is directly liable for any investment advice they provide.

Some of OneDigital's investment adviser representatives (as well as its President and Chief Compliance Officer) are also registered representatives of a broker-dealer and, in that capacity, could recommend securities transactions for individuals or entities who are also clients of OneDigital. In that event, the broker-dealer will pay these individuals a portion of the brokerage commissions received for products they sell. However, because this creates a conflict of interest, neither OneDigital nor its investment adviser representatives are permitted to receive any brokerage commissions generated from securities OneDigital recommended to retirement plan clients or their participants in its capacity as their investment adviser/manager, except to the extent those commissions are used to offset OneDigital's advisory fee.

OneDigital is also licensed as an insurance agency and some of its investment adviser representatives are licensed insurance agents. In that capacity, those investment adviser representatives could recommend insurance transactions, such as fixed, variable, or group annuities, for individuals or entities who are also clients of OneDigital. The recommendation by OneDigital's investment adviser representatives regarding the purchase of securities and/or insurance commission products presents a conflict of interest, as the receipt of commissions will provide an incentive to recommend investment products based on commissions received. No client is under any obligation to purchase any commission products from OneDigital's investment adviser representatives. Clients are reminded that they can purchase insurance products recommended by one of OneDigital's investment adviser representatives through other, non-affiliated broker dealers or insurance agents.

OneDigital also provides third party administration (TPA) services to certain of its clients. These TPA services generally include performing compliance testing, drafting necessary plan amendments, preparing the plan's Form 5500 filing, and other tasks related to the administration of the retirement plan. Because these services do not include the provision of

investment advice or management, they are typically provided under a separate agreement. Because OneDigital collects a separate fee for these services, it has a financial incentive to offer them to its clients. As a result, clients are reminded they are not required to utilize OneDigital's TPA services in order to access its investment advice and management services and may obtain those TPA services from another firm.

## **Item 11 – Code of Ethics**

### **Code of Ethics**

In compliance with Rule 204A-1 of the Investment Advisers Act, OneDigital has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Code of Ethics describes the firm's fiduciary duties and responsibilities to clients by requiring compliance with applicable securities laws, including those that protect the confidentiality of client information, require the reporting of personal securities transactions, and prohibit trading on insider information. Each of OneDigital's "access persons" is required to acknowledge receipt of the firm's Code of Ethics within ten (10) business days of joining the firm. In addition, each access person is required to annually acknowledge that their continued employment is contingent upon their compliance with its terms. OneDigital will provide a complete copy of its Code of Ethics to any client upon request.

### **Trading Conflicts of Interest**

OneDigital's access persons are permitted to buy or sell reportable securities for their personal accounts that are identical to transactions recommended to clients. However, in order to address potential conflicts of interest, OneDigital prohibits its access persons from trading a reportable security in their personal accounts, if they reasonably believe the security will be purchased or sold in a client's account, until the completion of all anticipated trading in that security for client accounts has occurred for that day, unless the access person's transaction is included as part of a block/batched trade with the firm's client accounts. This prohibition only extends to transactions initiated by the access person, though, and does not apply to accounts managed by OneDigital's Investment Team (in which case transactions in the access person's account are conducted on the same basis as other accounts) or accounts managed by a turnkey asset management program.

For this reason, OneDigital requires its access persons to disclose their holdings of "reportable securities" annually and transactions in such securities each quarter. However, because "reportable securities" do not include shares of mutual funds, CITs, or government-issued securities, which are the primary investment vehicles utilized by retirement plans and their participants, it is unlikely the policies and procedures OneDigital has designed to minimize the potential conflicts of interest created by its access persons investing in their own accounts will be material to clients receiving services from its Retirement Plan Division.

## Item 12 – Brokerage Practices

Pursuant to ERISA, the plan's administrator is responsible for approving the party or parties that will process the participants' trades and monitoring their fees. Therefore, with the exception of newly-created plans, most retirement plan clients already have established relationships with a recordkeeper that typically provides custodial and brokerage services through a related broker, insurance company, or trust company. Similarly, for plans consisting of participant-directed investment accounts, the plan's named fiduciaries will have sole authority to select the broker(s) that will process transactions in those accounts – even if OneDigital is managing the participants' accounts.

Therefore, unless the plan sponsor requests its assistance in replacing the recordkeeper, OneDigital has limited influence on the plan's brokerage services. For those plans that do not have these relationships in place, OneDigital will provide retirement plan clients with recommendations for vendors who can serve these needs at the plan fiduciaries' request.

In the event a broker-dealer is selected as the custodian of a retirement plan account consisting of pooled assets, OneDigital will process all trades in the account through that custodian. As a result, clients will likely pay higher commissions and other transaction costs, or receive less favorable net prices on transactions, than if they shopped for a broker-dealer to handle each transaction.

OneDigital has developed relationships with entities that provide brokerage, custodial, and recordkeeping services, as well as investment products, to retirement plans. In some cases, those entities also provide products and services that assist OneDigital in its servicing of its retirement plan clients. Some of these products and services benefit all of OneDigital's retirement plan clients, such as investment research. Other products and services, such as software and other technology that provide access to client account data, pricing and other market data, facilitate payment of fees from clients' accounts, assistance with back-office functions, compliance, recordkeeping, and client reporting, and special pricing programs, only assist those clients who are working with that vendor. These firms may also provide benefits solely to OneDigital, such as paying for attendance at educational conferences or sponsoring OneDigital's conferences or client marketing events. In addition, these firms often recommend OneDigital to clients who are searching for an investment adviser and, in some cases, partner with OneDigital to submit a combined bid. Alternatively, investment companies and recordkeepers may recommend firms that may be interested in being acquired by OneDigital.

OneDigital's receipt of these benefits creates a conflict of interest because it increases the likelihood OneDigital will recommend these companies to their retirement plan clients. In addition, many custodians or recordkeepers offer, or require retirement plan clients to utilize, their proprietary investment products (including without limitation, their stable value funds),

which provide additional revenue to these companies.

OneDigital also maintains a Strategic Partners Program, pursuant to which certain investment product and service providers provide funds that are used to sponsor educational seminars and/or client marketing events conducted by OneDigital. While this creates a conflict of interest, the program does not require OneDigital to favor the Strategic Partners over firms that do not participate in the program when recommending or selecting any products or services. Instead, OneDigital believes its recommendation of these companies is in the clients' best interests, because it is based upon the scope, quality, and price of their services that benefit the clients, as opposed to the services that benefit only OneDigital. Finally, OneDigital maintains records of all such payments, and those records are available for inspection at a client's request.

### **Item 13 – Review of Accounts**

For plans with participant-directed investment accounts, OneDigital benchmarks the investment options offered within the plan each quarter. OneDigital also conducts regular investment review meetings with the plan's Investment Committee on a quarterly, semi-annual, or annual basis, depending upon the size of the plan and the preferences of the plan's named fiduciaries. During those reviews, OneDigital will inform the named fiduciaries of each investment's performance and utilization, as well as whether OneDigital is recommending it be replaced (or has replaced the investment where it has discretionary authority as the plan's investment manager).

If OneDigital is managing the pooled investments of the plan, the performance of those investments will be monitored by OneDigital's Investment Committee and the investment adviser representative on the account. OneDigital will conduct regular investment review meetings with the plan's named fiduciaries pursuant to the schedule agreed upon in the parties' agreement. However, additional reviews can be triggered by the client's specific request or by a change in market or economic conditions.

For its Personalized Portfolios program, OneDigital's Investment Team frequently monitors the performance of its investment allocation models or CITs, as well as the investments within those models. OneDigital's investment adviser representative assigned to the plan may or may not conduct regular investment review meetings with the participants in the plan, depending upon the size of the plan, the expectations of the participant, and the investment adviser representative's ability to offer that service to all participants.

All retirement plan clients are reminded that it remains their responsibility to advise OneDigital of any changes in their investment objectives, financial status, or specific guidelines

within their investment policy statements.

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

OneDigital has relationships with entities that have agreed to provide referrals of potential retirement plan clients for compensation, which creates a conflict of interest. This includes employees of OneDigital's parent company, Digital Insurance, LLC, who may already provide employee benefits, insurance, and/or human resources counseling services to the companies they refer to OneDigital. Before OneDigital will pay a referral fee to any such entity or individual, it will enter into an agreement with the promoter and require the promoter to provide each prospective client with a disclosure form, which details the arrangement, including the fee the promoter will receive.

Because OneDigital will be acting in a fiduciary capacity when it is serving as the plan's investment adviser or investment manager, OneDigital does not receive any direct or indirect compensation from product and service providers for recommending investment products, except to the extent the commissions generated from those products are used to offset the advisory fee OneDigital is due under its agreement with the plan. However, OneDigital and its investment adviser representatives do receive benefits from outside third parties, including funding to attend educational and marketing seminars, gifts valued at less than \$100 annually, an occasional meal, or ticket to a sporting event. In addition, investment product and service providers sponsor conferences and client marketing events conducted by OneDigital. However, such compensation cannot be tied to the sales of any products, and OneDigital maintains records of all such payments, which are available for inspection at a client's request.

OneDigital's investment adviser representatives are permitted to assist retirement plan participants in rolling assets out of their retirement plan account and into an individual retirement account ("IRA") managed by OneDigital. Alternatively, those funds may be used to purchase an annuity product that will pay the investment adviser representative a sales commission. Because these activities will result in OneDigital and/or its investment adviser representatives receiving additional compensation, they create a conflict of interest. However, pursuant to Department of Labor Prohibited Transaction Exemption 2020-02, OneDigital acknowledges it is acting in a fiduciary capacity when making such recommendations. To ensure compliance with the exemption, OneDigital requires its investment adviser representatives to provide participants receiving such recommendations with a Rollover Disclosure Form that explains the investment adviser representative's basis for believing the recommendation is in the client's best interest, as well as providing a copy of its ADV Part 3.

OneDigital's investment adviser representatives may recommend products and services offered through its parent company, Digital Insurance LLC, including other employee benefits,

such as group health insurance, human resources counseling, and property and casualty insurance products. OneDigital's investment adviser representatives may be compensated for those recommendations, which creates a financial incentive. As a result, clients should understand that they are not required to purchase these services from OneDigital's parent company in order to receive its investment advisory/management services.

OneDigital's parent company has entered into a contract with Synergi Partners to offer its clients assistance in obtaining Employee Retention Credits under the federal CARES Act. OneDigital's parent and its employees receive a portion of the fees paid by clients referred to Synergi Partners for those services. As a result, even though these services do not involve the provision of investment advice, OneDigital and its employees have a financial incentive to recommend those services to their clients, and those clients are reminded they have the right to decline those services or obtain them from other companies.

OneDigital's investment adviser representatives are compensated based on a percentage of the investment advisory fees they generate. Investment adviser representatives who are merely affiliated with OneDigital as independent contractors receive a higher percentage than those who are employed by OneDigital, given that OneDigital purchased the employed representatives' accounts and will provide them with an array of employee benefits. In addition to the initial payment for the purchase of their accounts, some employed investment advisers also are eligible to receive an "earnout" payment – which can be substantial - if their fees increase over a set period of time (generally three years). While those earnout payments are intended to encourage employed investment adviser representatives to add new clients, existing clients should understand it also creates an incentive for the employed representatives to offer new services or increase their fees.

## **Item 15 – Custody**

OneDigital does not hold client assets. Instead, retirement plan clients must contract separately with a broker-dealer, insurance company, or trust company for custodial services.

If OneDigital is serving as investment manager for a retirement plan or participant, or is managing the plan's pooled assets, the management agreement between the parties will include a limited power of attorney to permit OneDigital to either select the investment options to be made available to participants through the plan, or to initiate transactions for participants or pooled asset plans, on a discretionary basis. Pursuant to ERISA, OneDigital must be bonded when it has "control" over plan assets, which would include when it manages participants' investments or a plan's pooled assets. However, because it does not have authority to withdraw or transfer those assets out of the plan, OneDigital is not deemed to have "custody" of those assets under the Investment Advisers Act.



Unlike its arrangement with custodians of its wealth management accounts, OneDigital does not typically calculate its own advisory fee and provide payment instructions to the plan's recordkeeper. Instead, most recordkeepers calculate and pay OneDigital's based upon authorization provided by the retirement plan's administrator.

### **Item 16 – Investment Discretion**

OneDigital can act as either the investment adviser or investment manager for a retirement plan client. If OneDigital is acting as the investment manager for a plan consisting of pooled assets or for a participant in a participant-directed account, its agreement with the client will include a limited power of attorney granting OneDigital discretionary authority to initiate investment transactions of the plan's or participant's assets. If OneDigital is acting as the investment manager for a plan in which participants direct their own investments, that limited power of attorney will provide OneDigital with authority to add, remove, or replace the investment options offered through the plan without prior notification to, or the consent of, the plan's named fiduciaries.

However, OneDigital will make these decisions consistent with the plan's investment objectives, as noted in its investment policy statement or as communicated to OneDigital during its discussions with the plan's named fiduciaries. In addition, retirement plan clients can designate specific restrictions on the investments to be held or offered through the plan on the management agreement and are reminded to notify OneDigital of any changes they want to make to those restrictions each calendar quarter. However, because OneDigital's managed account program is based either upon investment options contained in the plan's core lineup or proprietary CITs, participants requesting limitations on the types of investments utilized in their accounts would likely be deemed ineligible to participate in the program.

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

OneDigital will generally not accept authority vote on securities held in client accounts (i.e., proxy requests). In addition, it does not take any action or render advice with respect to the voting of proxies, unless it believes the advice is appropriate and necessary.

### **Item 18 – Financial Information**

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition. For example, if OneDigital required clients to prepay advisory fees six months or more in advance, had a financial condition that was reasonably likely to impair its ability to meet its contractual commitments to its clients, or had been the subject of a bankruptcy petition during the past ten (10) years, it would be required to include certain financial information and make



disclosures. However, none of these factors are applicable to OneDigital, so no such disclosures are necessary.