

## WRAP FEE BROCHURE

(Form ADV Part 2A - Appendix 1)



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This wrap fee program brochure ("Brochure") provides information about the qualifications and business practices of UNest Advisers, LLC ("we," "us," "our" or "UNest"). If you have any questions about the contents of this brochure, please contact us at [hello@unest.co](mailto:hello@unest.co). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment adviser with the SEC does not imply any level of skill or training.

Additional information about UNest also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). UNest's CRD number is 308125.

## **ITEM 2: MATERIAL CHANGES**

Since the last annual version of UNest's Form ADV Part 2A Brochure, dated March 23, 2023, we note the following material changes to the Brochure:

- Ksenia Yudina, CFA, and Mike Doniger were replaced on the Brochure Supplement by John K. Paglia, Ph.D., CPA, CFA.
- Addition of annual membership plan option

We may provide clients with a new Brochure or other ongoing disclosure information about material changes as necessary, without charge. This section addresses only specific material changes made to the Brochure since the last version and is intended to provide clients with a summary of such changes. We have also made certain additional non-material changes to update this Brochure.

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## ITEM 4: SERVICES, FEES, AND COMPENSATION

### General Information

*UNest Advisers, LLC (“we,” “us,” “our” or “UNest”) is a digital investing platform and mobile application designed to make saving for minors accessible, intuitive and simple. UNest offers the UNest Wrap Fee Program (the “Program”) to clients (“you,” “your,” or “clients”). UNest is an investment adviser registered with the U.S. Securities and Exchange Commission (the “SEC”), a limited liability company incorporated under the laws of the State of Delaware in June 2020 and maintains its principal office at 5161 Lankershim Blvd, Suite 250, North Hollywood, CA 91601. If you have any questions regarding the material contained herein, please contact UNest via email at [support@unest.co](mailto:support@unest.co) or via telephone at (818) 275-0041.*

### Services

UNest operates in the FinTech Industry and provides children’s investment accounts and college savings management services to clients in the United States through their UNest mobile application. Through our application, we offer investment services specifically designed for the financial needs of a minor through a tax-advantaged vehicle called a UTMA/UGMA custodial account, as well as through individual brokerage accounts.

UTMA/UGMA investment accounts will be invested in diversified portfolios of exchange-traded funds (“ETFs”), a type of fund that owns underlying assets and divides ownership of those assets into shares to minimize investment risk. In addition, the investments will generally be implemented through the target-date funds, with allocations changing from more opportunistic (while children are young and the time horizon is long) to more conservative (when children approach enrollment date and the time horizon is short) to ensure the safety of investments close to the withdrawal date; age-based funds will start with a higher allocation of equity ETFs, which gradually shift towards a higher allocation of cash and fixed income ETFs over time. While the foregoing is reflective of UNest’s general guidelines regarding investment selection, periods of market volatility may necessitate that UNest adjusts such guidelines.

### Fees

All UNest accounts will be charged a membership fee (*i.e.*, service fee) for the personal use of the UNest mobile application. Customers who have completed signup for an investment account (a UNest Core Account) and access to the UNest platform will be charged \$4.99 a month, or may elect an annual membership for \$39.99. Fees are non-negotiable. The membership fee, which is charged by UNest Holdings, Inc., an affiliate of UNest Advisers LLC, covers our investment advisory services in addition to other non-investment advisory-related services. The membership fee includes all fees covering your participation in the Program, including fees for advisory services, execution (except for incidental costs such as wire transfer fees or bank charges imposed by your banking institution or fees charged by our clearing broker), and account reporting in addition to other features and services provided on the UNest platform through affiliated entities. A client generally pays this fee through their phone’s App Store, however, it can be deducted from the client’s investment account if there is no ability to pay the fee through their phone’s App Store, if there is no identified alternate funding source, or if there is an insufficient balance in the identified funding source. Should you wish to cancel your membership, you must do so via your phone’s App Store. The fee schedule is as follows:

Type	Number of Accounts	Access to Other Features and Affiliated Services	Fee
UNest Core Membership Fee	Unlimited Accounts Access to all platform features, content, and affiliated services	Yes	\$4.99 per month or \$39.99 per year

UNest is structured to favor frequent investing. The fee structure may not be suitable for individuals with small accounts or individuals looking to make few or infrequent small-dollar investments.

The membership fee is charged monthly or annually depending on your choice. UNest reserves the right, with 30 days' notice to its clients, to adjust the monthly and/or annual membership fees should the fee amount prove uneconomical in any way that could negatively impact UNest's business. UNest absorbs transaction costs as part of the servicing. Clients might find that the advisory and other services that comprise the UNest experience may exceed the costs of similar services when purchased separately.

The investment vehicles offered by UNest have fees that are separate and distinct from the fees paid to UNest for its Program. These fees include, but are not limited to, service fees, ETF fees, and other operating expenses on a fund. The prospectus, a legal document required by and filed with the SEC that provides details about the investment offers for each investment vehicle, will detail the fees and charges assessed by the managers of those products. UNest reserves the right to reduce or waive any fees associated with the advisory services at its sole discretion. In addition, UNest also reserves the right to implement additional fees for products and services that are not yet available or mentioned in this brochure.

## **ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

UNest services are available to individuals who are legal U.S. residents and maintain a checking account with a U.S. bank. There is no minimum account size; the minimum initial and subsequent deposits are \$25. Inactive accounts or, accounts with \$0 balances, or accounts that have not provided specific account holder details as determined by UNest for 30 days or greater may be terminated at the discretion of UNest.

## **ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Portfolio Management Overview**

All of UNest's clients are advised on a discretionary basis; UNest, rather than the client, will ultimately select the investment based on key information provided by the client through UNest's mobile application. When a client deposits money, UNest constructs purchases to align the client's account to their investment strategy selection. Upon a client's request to withdraw money, a combination of sales is initiated while continuing to pursue the corresponding investment strategy chosen by the client.

## **Portfolio Strategies**

UNest currently offers ETF-based investment portfolio strategies that are asset allocation models ranging from conservative to aggressive, which are selected by UNest for its clients based on information provided by clients through the UNest mobile application, such as risk tolerance, age, and time horizon (collectively, the “investment criteria”). Additionally, clients can select an all-equity ETF model, which is the most aggressive investment portfolio option, or an all-fixed-income ETF model, which is the most conservative investment portfolio option. Both of these options can be selected by clients at their discretion. UNest also offers a select number of socially responsible, or “ESG,” investment portfolio strategies, which clients can opt into based on their own investment preferences. The decision to select these aforementioned portfolio strategies versus the core asset allocation models is the clients’. In the future, UNest may offer additional portfolio strategies to provide more investment options to its clients.

UNest invests clients’ assets into ETF-based investment portfolio strategies that reflect the clients’ investment criteria. However, clients may, at any time, choose to override UNest’s investment selections, opting instead to invest in different portfolio strategies offered by UNest.

In addition, UNest may decide to change the composition of the ETFs in its investment portfolio strategies for the benefit of its clients. In this case, UNest will have the discretion to transition clients’ assets into the new ETFs that make up its reconstituted investment portfolio options.

## **Rebalancing and Dividend Reinvestment**

UNest clients agree to allow UNest to rebalance holdings and reinvest dividends automatically.

## **Risk of Loss**

Market risk (including, but not limited to, macroeconomic environment, interest rates, regulatory changes, domestic or foreign politics, social events, liquidity, bankruptcy/insolvency, etc.) will vary and could negatively impact the performance of securities in your portfolio. Any investment in securities involves the possibility of financial loss that clients should be prepared to bear. UNest may also experience technology issues (equipment failure, loss of internet, viruses, or other events that may impair access to UNest software), which could impact the UNest experience and investment outcomes.

## **Risk of Beneficiary**

UNest clients are encouraged to review the Internal Revenue Service (“IRS”) rules that apply or to consult with a tax advisor before designating one or more account beneficiaries. UNest does not provide advice about designating other beneficiaries.

## **Risk of Tax Impact**

Performance may directly or indirectly be affected by government legislation or regulation. By investing through UNest, tax benefits (such as state tax deductions or credits) might be unavailable to you through the UNest platform. You should investigate all available options before investing with UNest.

Gift tax rules may apply when investing in a UGMA/UTMA account. Please consider this rule, particularly when investing larger amounts or after having given sizable gifts. UNest does not give

tax or general financial planning advice. UNest clients should consult the IRS rules, a tax advisor, or a personal financial planner if questions arise regarding taxes or tax planning strategies.

## **Cybersecurity Risk**

Cybersecurity risk is the risk of potential harm or loss of information security as a result of breaches or attacks on technology and technology infrastructure. If we were to experience a cybersecurity incident, it may cause disruptions and affect our business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Additionally, if our third-party vendors or other service providers were to experience a cybersecurity incident, it could disrupt our operations, result in the disclosure or misuse of confidential or proprietary information, or adversely affect our business. There can be no assurance that we, or our third-party vendors or other service providers, will not suffer losses relating to cybersecurity incidents or other information security breaches in the future.

## **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

When opening a UNest account, a client will be asked to provide pertinent information (e.g., name, age, monthly investment amounts, risk profile, etc.) for UNest's internally developed models to properly assess and determine which funds to invest in on behalf of the client. The investment determination we make is based on a limited number of pre-selected investment portfolio options and relies on the information you provide, including your stated risk profile.

UNest invests clients' assets into investment portfolios of ETFs and does not share client information with any underlying portfolio managers.

## **ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

UNest uses electronic means to provide customer support. Existing and prospecting clients are encouraged to contact UNest via email or mobile application. Information regarding a client's portfolio holdings and performance will be available to clients through UNest's platforms. Clients should note that UNest advice is only through its online interactive software application. Clients may contact UNest by phone or email during normal business hours should they have any questions about their UNest experience.

In addition to customer support, UNest provides various materials on its website, including answers to frequently asked questions ([unest.co/faq](http://unest.co/faq)) and various educational materials ([unest.co/blog](http://unest.co/blog)). This information is designed to address commonly asked questions clients may have about UNest, their accounts, and the management of their accounts.

## **ITEM 9: ADDITIONAL INFORMATION**

### **Disciplinary Information**

UNest has not been involved in any legal or disciplinary events.

### **Other Financial Industry Activities and Affiliations**

UNest Advisers, LLC is a wholly owned subsidiary of UNest Holdings, Inc., which is also the parent company of UNest Securities, LLC ("UNest Securities"), an introducing broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and a member of the Securities Investor Protection Corporation (SIPC).

UNest Securities executes trades on behalf of UNest's clients and is the broker-dealer of record with respect to client accounts. UNest Securities does not hold custody of client funds or securities.

Clients authorize UNest to choose a custody provider at its discretion and instruct the custody provider to deduct related fees directly from client accounts. UNest and its affiliates have entered into an agreement with Apex Clearing Corporation ("Apex"), pursuant to which Apex serves as custodian and clearing broker. UNest Securities instructs Apex to clear and settle trades and affect other back-office functions on behalf of UNest's clients. Client account statements provided by Apex will reflect the withdrawal of fees and any other transactions that the client may have performed during the account statement period. All clients should carefully review their account statements regularly to ensure the accuracy of all the information. Any discrepancies or errors should be escalated immediately to UNest or Apex directly.

UNest advisers may be dually registered with UNest Securities. UNest and its advisers do not have any other financial industry activities and affiliations.

### **Code of Ethics**

UNest requires officers, employees, and affiliates to meet our fiduciary obligation to clients and detect any violations of securities laws. Consistent with the requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), UNest has adopted a Code of Ethics applicable to its personnel that establishes standards of business conduct with respect to its clients. The Code of Ethics includes internal reporting, recordkeeping, and other obligations regarding personal securities transactions. The Code of Ethics requires that any violations of these obligations and any outside complaints be escalated, addressed promptly and appropriately, and recorded in the company's books and records.

UNest will provide a copy of its Code of Ethics to any client upon request.

### **Participation in Client Transactions and Potential Conflicts of Interest**

UNest's personnel and their families may invest in accounts offered on UNest's platform. Any investment advice offered by UNest offers little or no opportunity for a conflict of interest to arise, as the plans all relate to well-established investment vehicles (ETFs) unaffiliated with UNest. It is the express policy of UNest that in the event a conflict of interest is perceived to exist, UNest will seek to immediately eliminate or mitigate that conflict of interest by prohibiting or monitoring the trading that is identified as potentially representing a conflict of interest.

### **Review of Accounts**

UNest conducts limited reviews of select accounts on a monthly basis for accounting purposes. UNest also reviews some or all accounts on a periodic basis against internal parameters or guidelines.

UNest's mobile application is designed to provide clients with continuous access to account information. Clients also receive periodic emails from UNest with information about their accounts and account statements.

### **Client Referrals and Other Compensation**

UNest may offer compensation to existing clients and third parties for referring new clients. Referral activities must adhere to terms and conditions established by UNest and set forth in an



agreement with UNest in accordance with Rule 206(4)-1 under the Advisers Act and will be disclosed to you, as required by law.

Clients are not charged any costs for being referred to UNest by an existing client, third party, or marketer. UNest or an affiliate may pay third-party services to drive new users to UNest. UNest or an affiliate may receive compensation from retailers in connection with certain promotions, in which UNest or an affiliate refers UNest clients to the retailers for the purchases of non-investment consumer products or services (e.g., office supplies or clothing). UNest or an affiliate may transfer a portion of the compensation received in connection with such promotions into the referrer's account to fund the purchase of additional investments for the client.

### **Financial Information**

UNest does not foresee any adverse financial condition that would likely impair it from meeting its contractual commitments to its clients. Furthermore, UNest has never been the subject of a bankruptcy proceeding.

### **Termination of Advisory Relationship**

Clients should be aware that their agreement with UNest may be canceled at any time by either party. Any unpaid fees will be due and payable upon termination of account(s).

## BROCHURE SUPPLEMENT

(FORM ADV PART 2B)



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This Brochure Supplement provides information about certain UNest employees listed below that supplements the Brochure you received above. If you have any questions about the contents of this Brochure Supplement or the Brochure, please contact us at [support@unest.co](mailto:support@unest.co). Additional information about the UNest employees listed below is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Chief Investment Officer: John K. Paglia, Ph.D., CPA, CFA**



### Experience:

John K. Paglia (1967) is currently Chief Investment Officer for UNest Advisers, LLC, Managing Partner at SUM Ventures, Professor of Finance at Pepperdine Graziadio Business School; and independent board director, audit committee chair, and designated financial expert for Simulations Plus, Inc. and Aeluma, Inc. Dr. Paglia also sits on the investment committee at Simulations Plus, Inc.

At Pepperdine University where he has been since 2000, Dr. Paglia has taught a number of graduate-level classes in the Master of Business Administration program including Investments, Financial Statement Analysis, Financial Risk Management, Corporate Finance, Business Valuation, and Mergers and Acquisitions. He also served as a senior advisor for Axxes Capital, private equity and venture capital expert for the U.S. Library of Congress Federal Research Division, wrote study materials for the Chartered Financial Analyst (CFA) and Financial Risk Management (FRM) exams, directed Schweser's Chartered Financial Analyst weekly study program in Los Angeles, and has published articles in the *Journal of Wealth Management*, *Trusts and Estates*, *Journal of Accounting and Finance*, *Journal of Banking and Finance*, *Applied Economic Letters* and others.

### Credentials:

Dr. Paglia holds a Ph.D. in Business Administration (Finance) from the University of Kentucky, and Master of Business Administration and B.S. Finance degrees from Gannon University.

Dr. Paglia holds Chartered Financial Analyst (CFA), Certified Public Accountant (CPA), and NACD Directorship (NACD.DC) certifications.

## ITEM 3: DISCIPLINARY INFORMATION

Dr. Paglia does not have any legal or disciplinary events material to a client's or prospective client's evaluation.

## ITEM 4: OTHER BUSINESS ACTIVITY

None.

## ITEM 5: ADDITIONAL COMPENSATION

There are no other compensation arrangements.

## **ITEM 6: SUPERVISION**

None.