

June 4, 2019

FORM ADV PART 2A APPENDIX 1  
("WRAP FEE PROGRAM BROCHURE")  
FOR ONE DEGREE ADVISORS, INC.

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## Item 1 – Cover Page

### One Degree Advisors, Inc.

8880 Rio San Diego Drive, Suite 1000

San Diego, CA 92108

(619) 282-3288

[www.onedegreeadvisors.com](http://www.onedegreeadvisors.com)

**This wrap fee program brochure provides information about the qualifications and business practices of One Degree Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (619) 282-3288. 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.**

**Additional information about One Degree Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Firm" using the firm's CRD number, which is 170392.**

**References herein to One Degree Advisors, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

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## **Item 2 – Material Changes**

The Material Changes section of this brochure will be updated annually when material changes have occurred since the previous release of the Firm Brochure. This brochure dated June 4, 2019 has had the following material changes since the last annual update to the brochure for One Degree Advisors, Inc. dated January 1, 2014. All clients that participate in one of One Degree Advisors' wrap fee programs will receive a copy of this brochure prior to, or at the time of, becoming a client.

One Degree Advisors, Inc. will provide you with a new wrap fee program brochure as necessary based on changes or new information regarding any wrap fee program, at any time, without charge.

Our brochure may be requested by contacting Audrey Coleman, Chief Compliance Officer at (619) 282-3288.

Additional information about One Degree Advisors, Inc. is also available via the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with One Degree Advisors, Inc. who are registered, or are required to be registered, as investment adviser representatives of One Degree Advisors, Inc.

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## Item 4 – Services, Fees and Compensation

One Degree Advisors, Inc. is a corporation formed in 2001 in the State of California. The name was changed to One Degree Advisors, Inc. in 2014. Audrey Coleman Janice Thompson, and Anthony Saffer are the principal owners of One Degree Advisors, Inc. The major decisions of a strategic and administrative nature for the firm are undertaken by the principal owners.

For investment management clients, One Degree Advisors, Inc. may offer its services through the "One Degree Wrap Program" (the "Program") which is a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services and the execution of client transactions.

One Degree Advisors, Inc. receives the entire Program fee, a portion of which is used to compensate the executing broker for any transaction charges and fees.

### Services Offered

One Degree Advisors, Inc. is a financial advisory firm dedicated to providing personalized confidential financial planning and investment management to its clients.

One Degree Advisors, Inc. offers financial planning and investment management services that include (1) helping the client clarify his or her investment objectives, goals and time horizons, (2) creating a diversified portfolio based on those needs, and (3) investing and managing the portfolio on behalf of the client on a discretionary basis. One Degree Advisors, Inc. has discretionary authority to make trades in client accounts as dictated by its best judgment for each client's situation without the client's prior consent. One Degree Advisors, Inc. will evaluate all publicly traded investments, but primarily recommends to its clients institutional-style and no-load mutual funds and other low-cost investment vehicles, and for some clients municipal notes and bonds and other fixed income securities.

Assets under the direct management of One Degree Advisors, Inc. are held at an independent custodian in the client's name. One Degree Advisors, Inc. does not have custody of client assets meaning that One Degree Advisors, Inc. does not hold client funds or securities either directly or indirectly and has no authority to obtain possession of them. Rather, One Degree Advisors, Inc. manages the assets under a limited power of attorney executed by the client.

Prior to engaging One Degree Advisors, Inc. to provide services, clients are generally required to enter into an agreement with One Degree Advisors, Inc. setting the terms and conditions of the engagement (including termination), describing the scope of the services

to be provided, and the portion of the fee that is due from the client prior to One Degree Advisors, Inc. beginning services.

Subject to any written guidelines, which the client may provide, One Degree Advisors, Inc. will be granted discretion and authority to manage the client's investment account(s). Accordingly, One Degree Advisors, Inc. is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include making all investment decisions on the (a) securities purchased/sold and (b) the amount of securities to be purchased/sold. Once the portfolio is constructed, One Degree Advisors, Inc. provides ongoing supervision and rebalancing of the portfolio as changes in market conditions and client circumstances may require.

One Degree Advisors, Inc. may offer investments through a third-party investment adviser ("sub-adviser"). All sub-advisers to whom One Degree Advisors, Inc. refers its clients will be a registered investment adviser with the Securities and Exchange Commission or other appropriate jurisdictions. At the time of the referral to the sub-adviser, the clients receive full disclosure that includes detailed information on the services offered and other pertinent disclosures by delivery of a copy of the relevant sub-adviser's Form ADV Part 2 or equivalent disclosure documents. In addition, if the investment program recommended to a client is a wrap fee program, the client will also receive the equivalent wrap fee brochure provided by the sponsor of the program. One Degree Advisors, Inc. will provide each client with all appropriate disclosure statements.

After consultation with One Degree Advisors, Inc., clients may impose restrictions on investing in certain securities or types of securities. Other restrictions may be imposed by clients with respect to the (average or longest) maturity or credit quality of fixed income investments. In either case, all restrictions must be in writing.

If requested by the client, One Degree Advisors, Inc. may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from One Degree Advisors, Inc.

One Degree Advisors, Inc. sponsors several wrap fee program (as defined in Appendix 1 to this Brochure). As described below, we may recommend that clients participate in a wrap fee program sponsored by Morningstar Managed Portfolios. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

## Morningstar Programs

The Morningstar Managed Portfolios program is an investment advisory program available to individuals and institutions primarily through arrangements Morningstar Investment Services, Inc. ("MIS") has with various unaffiliated registered investment advisors such as One Degree Advisors, Inc. This program includes various strategies consisting of mutual funds, exchange-traded funds, and equity securities.

Within the program and under the direction of the Chief Investment Officer of MIS, or an investment advisory affiliate, provides discretionary investment advisory services such as:

- Constructing portfolios by analyzing a universe of available investments (e.g., mutual funds, exchange-traded funds, equity securities) using quantitative and qualitative analyses and any investment restrictions placed by One Degree Advisors, Inc.; and
- Continuously monitoring the portfolios within the program, rebalancing and/or reallocating when deemed necessary

## Envestnet Programs

For all Programs, Client and One Degree Advisors, Inc. compile pertinent financial and demographic information to develop an investment program that will meet the Client's goals and objectives. Utilizing the Envestnet platform tools, One Degree Advisors, Inc. will allocate the Client's assets among the different options in the Program and determine suitability of the asset allocation and investment options for each Client, based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors.

For certain Sub-Managers, Envestnet has entered into a licensing agreement with the Sub-Manager, whereby Envestnet performs administrative and/or trade order implementation duties pursuant to the direction of the Sub-Manager. In such situations the Sub-Manager is acting in the role of a Model Provider (as defined below).

For Clients using the UMA program, the Client is offered a single portfolio that accesses multiple asset managers and Funds, representing various asset classes, that is customized by the Client's financial advisor. Utilizing the Envestnet tools, Advisor customizes the asset allocation models for a particular Client or selects Envestnet's proposed asset allocations for types of investors fitting Client's profile and investment goals. One Degree Advisors, Inc. then further customizes the portfolio by selecting the specific, underlying investment strategies or Funds in the portfolio to meet the Client's needs. Once One Degree Advisors, Inc. has established the content of the portfolio, Envestnet provides overlay management

services for UMA accounts and implements trade orders based on the directions of the investment strategies contained in the UMA portfolio.

For Clients selecting the Manager Blends, the Client is offered portfolios consisting of investment models from multiple asset managers created and managed by Envestnet. By combining multiple managers across style and asset classes into one portfolio, Manager Blends can deliver broader diversification than a single asset manager within an individual style category or asset class.

Envestnet also makes available asset allocation strategies of a variety of mutual fund and ETF asset managers in the Third-Party Fund Strategists program. Each portfolio may consist solely of mutual funds or ETFs or may combine both types of funds to pursue different investment strategies and asset class exposures. Pursuant to a licensing agreement entered into with the asset manager, Envestnet provides overlay management of the portfolios and performs administrative and trade order implementation duties pursuant to the direction of the asset manager.

### **Third Party Models and Model Providers**

Many of the asset managers available in the Programs described above are accessed through the use of investment models ("Third Party Models"), whereby the asset manager, acting as a "Model Provider," constructs an asset allocation and selects the underlying investments for each portfolio. Envestnet performs overlay management of the Third Party Models by implementing trade orders and periodically updating and rebalancing each Third Party Model pursuant to the direction of the Model Provider. Envestnet may, from time to time, replace existing Model Providers or hire others to create Third Party Models and cannot guarantee the continued availability of Third Party Models created by particular Model Providers.

In managing the Third Party Models, certain Model Providers may pursue an investment strategy that utilizes underlying mutual funds or exchange traded funds advised by the Model Provider or its affiliate(s) ("Proprietary Funds"). In such situations, the Model Provider or its affiliate(s) may receive fees from the Proprietary Funds for serving as investment advisor or other service provider to the Proprietary Fund (as detailed in the Proprietary Fund's prospectus). These fees will be in addition to the management fees that a Model Provider receives for its ongoing management of the Third Party Models and creates a financial incentive for the Model Provider to utilize Proprietary Funds. Clients should discuss any questions with or request further information from their Advisor concerning the use of Proprietary Funds in Third Party Models or the conflict of interest this creates.

## Advisor Directed Models

Envestnet offers One Degree Advisors, Inc. the ability to create their own investment model portfolios for Clients (an "Advisor Directed Model"). For Client's using a One Degree Advisors, Inc. Directed Model, Envestnet is providing only administrative services, provides no advisory services and is not responsible for the selection of the specific investment choices made with respect to an Advisor Directed Model. For certain types of Advisor Directed Models, Envestnet will also place trade orders pursuant to the direction of the Advisor ("Advisor Proprietary Models") but does not exercise discretion over the Client accounts or act as an advisor to the Client.

## Fees and Compensation

The client can determine to engage One Degree Advisors, Inc. to provide discretionary investment advisory services on a fee basis. One Degree Advisors, Inc.'s investment advisory fee is based upon a percentage (%) of the market value of the assets placed in under One Degree Advisors, Inc. or a fixed fee. The maximum fee percentage is 1.99% of the assets under management and is based on the balance of the accounts managed and services provided.

Investment advisory fees will be calculated on quarterly basis, in advance, at the beginning of each calendar quarter based on the daily average balance of the client's account during the previous quarter. The first quarter is due at the execution of the Advisory Agreement and is prorated to the end of that quarter.

Fees for financial planning services will vary, typically ranging from \$1,800 to \$25,000, and are determined by the services required and agreed upon in advance. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or services requested. *In limited circumstances*, the cost/time could potentially exceed the initial estimate. In such cases, One Degree Advisors, Inc. will notify the client and may request that the client pay an additional fee. A financial planning consultation will require a deposit equal to one-half (50%) of the agreed upon fee upon execution of the agreement and the balance due upon completion of the work as agreed upon.

Clients may provide written authorization to the custodian of their accounts to pay One Degree Advisors, Inc.'s fees from the client's account. The account custodian does not verify the accuracy of One Degree Advisors, Inc.'s advisory fee calculation. The custodian will send the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to One Degree Advisors, Inc.

Investment Adviser Representatives may also earn commission on sales of insurance.



## General Information Regarding Advisory Services and Fees

One Degree Advisors, Inc. fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Clients may also incur "account termination fees" upon the transfer of an account from one brokerage firm (custodian) to another. The range for these account termination fees is believed to range generally from \$0 to \$200 at present, but at times may be much higher. Clients should contact their custodians (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees that may be charged and deducted from their accounts for any existing accounts that may be transferred.

Such charges, fees and commissions are exclusive of and in addition to the firm's fee, and the firm does not receive any portion of these commissions, fees, and costs.

One Degree Advisors, Inc. can also invest a portion of your assets in mutual funds, exchange traded funds, variable annuities or other investments and charge a management fee on your assets invested in these securities. Therefore, you will pay two levels of fees for management of your assets: one directly to One Degree Advisors, Inc. and one indirectly to the managers of the mutual funds, exchange traded funds, variable annuities or other investments held in your portfolios. In addition, your representative can manage variable annuity account(s) held by insurance company custodians even though those annuity accounts are not linked to a One Degree Advisors, Inc. advisory account. If annuity management service is provided, it is provided on a discretionary basis only, and you can be subject to additional advisory fees. The underlying assets may be bought directly through the mutual fund company or variable annuity company. Therefore, you could generally avoid the second layer of fees by making your own decisions regarding the mutual fund, exchange traded fund or variable annuity investment. However, in that case, you would not receive the investment management services provided by your representative.

Item 12 further describes the factors that the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The vast majority of clients pay One Degree Advisors, Inc.'s fees based upon a percentage of the assets we manage. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation.

However, using the Program will likely cost the client less than paying for investment management services and transaction costs separately. For example, if the client engages One Degree Advisors, Inc. for investment management services only and utilizes the services of a broker-dealer other than specified in the Program, the investment management fee would be dictated by the same fee schedule as if the client utilized the Program; in addition the client would pay separately for the transaction costs determined by the selected broker-dealer.

### **Termination**

The client may terminate any new agreement without penalty by providing written notice of such cancellation to One Degree Advisors, Inc. within five (5) business days of the date of signing the agreement. Following the five-day cancellation period, the client may cancel the Advisory Agreement any time. The client will be responsible for payment of any fees for services rendered prior to the notice. One Degree Advisors, Inc. may only terminate the Agreement with thirty-day notice to Client of its intention to terminate the Agreement. Any prepaid fees will be returned to the client.

One Degree Advisors, Inc. believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. A client could invest in mutual funds directly, without the services of One Degree Advisors, Inc. In that case, the client would not receive the services provided by One Degree Advisors, Inc. which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial condition and objectives, undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and to avoid ad hoc emotional reactions to shorter-term market events. Also, some of the funds used by the firm may not be available to the client directly without the use of an investment adviser granted access to such funds.

One Degree Advisors, Inc.'s relationship with each client is non-exclusive; in other words, One Degree Advisors, Inc. provides investment advisory services and financial planning services to multiple clients. One Degree Advisors, Inc. seeks to avoid situations in which one client's interest may conflict with the interest of another client. However, one circumstance which could arise is a sudden sharp downturn in the values of one or more stock asset classes, thereby triggering (under adopted investment policies with the vast majority of One Degree Advisors, Inc.'s clients) the need to rebalance the investment portfolios following the close of any business (trading) day. In this instance, One Degree Advisors, Inc. seeks to rebalance each client's investment portfolio on a timely basis, keeping in mind that most mutual fund trades occur at the end of a trading day.

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

One Degree Advisors, Inc. does not require a minimum account size to participate in the Program.

One Degree Advisors, Inc. clients shall generally include high net worth individuals, business owners and corporations. Client relationships vary in scope and length of service.

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

Unlike a typical wrap fee program, One Degree Advisors, Inc. serves as both the sponsor and sole portfolio manager within the Program. One Degree Advisors, Inc. will not engage other portfolio managers. The investment management services provided by One Degree Advisors, Inc. are described in Item 4 of this Appendix.

### **Performance-Based Fees**

One Degree Advisors, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Such acceptance or management would pose a significant conflict of interest to the client because performance-based fees may provide an incentive to favor such accounts over the accounts of clients under our other advisory programs. One Degree Advisors, Inc. considers avoidance of such conflict a paramount policy in maintaining our fiduciary duty to our clients.

### **Methods of Analysis**

Before designing investment plans for clients, One Degree Advisors, Inc. will evaluate the client's investments to determine whether the client's goals harmonize with the client's financial objectives. One Degree Advisors, Inc. will propose a portfolio to help clients attain their financial goals. In designing investment plans for clients, One Degree Advisors, Inc. relies upon the information supplied by the client and client's other professional advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance for risk. One Degree Advisors, Inc. will design and propose a portfolio to help clients attain their financial goals.

This information will become the basis for the strategic asset allocation plan that One Degree Advisors, Inc. believes will best meet the client's stated long term personal financial goals. The strategic asset allocation provides for investments in those asset classes that One Degree Advisors, Inc. believes will possess attractive combinations of return, risk, and correlation over the long term.

When One Degree Advisors, Inc. invests client assets, asset allocation techniques are used which include stocks and bonds of varying characteristics and from both the

United States and foreign markets. One Degree Advisors, Inc. invests for the long term and expects that not all investments in a given portfolio will perform in unison with other assets in the same portfolio. One Degree Advisors, Inc. does not necessarily systematically rebalance the portfolio on a regular basis, but monitors each client's asset allocation to make adjustments where appropriate. One Degree Advisors, Inc.'s portfolio management decisions are made considering only the assets being managed and not with regards to other investments the client may hold.

One Degree Advisors, Inc. may utilize fundamental analysis. Fundamental analysis is performed on historical and present data, with the goal of making financial forecasts. The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

One Degree Advisors, Inc. also utilizes other statistical stock market data. Other sources that the firm may use include Morningstar mutual fund information, Morningstar stock information, and information available on the internet.

### **Investment Strategies**

The primary investment strategy used on client accounts is asset allocation based on Modern Portfolio Theory. One Degree Advisors, Inc. develops a diversified investment portfolio by mixing different assets in varying proportions depending on client and current economic climate. The primary purpose of Asset Allocation is to reduce the risk in the portfolio, while maintaining or enhancing the rate of return of the portfolio. Portfolios are globally diversified to control the risk associated with traditional markets.

One Degree Advisors, Inc. manages a variety of model portfolios based on client risk profiles, ranging from conservative to aggressive. One Degree Advisors, Inc. utilizes an analytic process of fund performance in each asset class on at least a quarterly basis in order to determine the holdings and weightings of the models. The models form the basis of the design of client asset allocations, though specific client interests and circumstances may add unique holdings to any portfolio.

Each client receives investment advice regarding their portfolio based upon his or her:

- Income Needs
- Time Horizon
- Risk Tolerance
- Expected Rate of Return
- Asset Class Preferences

The investment vehicles primarily used to invest in the various asset classes are mutual funds and exchanged traded funds (ETFs). The mutual funds provide:

- Professional Management
- Diversification
- Flexibility
- Liquidity

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives, their desired investment strategy and any restrictions on investments requested by the client.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. One Degree Advisors, Inc.'s investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

*Interest-rate Risk*: The risk that investment returns will be affected by changes in the level of interest rates. When interest rates increase, the prices and values of bonds decrease. When interest rates decrease, the prices and values of bonds increase.

*Market Risk*: The risk that investment returns will be affected by changes in the overall level of the stock market. When the stock market as a whole increases or decreases, virtually all stocks are affected to some degree.

*Reinvestment Rate Risk*: The risk incurred when an investment's income is reinvested at a lower rate than the rate that existed at the time the original investment was made. This risk is most prevalent when interest rates fall.

*Purchasing Power Risk (Inflation Risk)*: The risk that inflation will affect the return of an investment in real dollars. In other words, the amount of goods that one dollar will purchase decreases with time. Investments that have low returns, such as savings accounts, are not likely to keep up with inflation. Investments with fixed returns, such as bonds, will decrease in value because their purchasing value will decrease with inflation.

*Business Risk*: The risk associated with a particular industry or firm. These are factors that affect the industry or firm, but do not affect the whole market. They include government regulations, management competency, or local or regional economic factors.

**Financial Risk:** The risk associated with the mix of debt and equity used to finance a firm. The greater the financial leverage, the greater the financial risk.

**Currency Risk (Exchange Rate Risk):** The risk that a change in the value of a foreign currency relative to the U.S. dollar will negatively affect a U.S. investor's return.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

In general, cash equivalents provide liquidity with minimum income, and a return of principal with no capital appreciation. Cash equivalents are, however, subject to purchasing power risk.

Fixed income investments provide current income. Usually, the longer the maturity of the security, the higher the income it will generate. Also, with longer maturities, fixed income investments will have greater price volatility and greater opportunity for capital gains or capital losses. Fixed income investments are subject to interest rate risk, reinvestment rate risk, and purchasing power risk. In addition, foreign bonds would be subject to currency rate risk and junk bonds would be subject to business risk and financial risk.

The return of principal for bond funds and funds with significant underlying bond holdings is not guaranteed. Mutual fund shares are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings. Lower rated bonds are subject to greater fluctuations in value and risk of loss of income and principal than higher rated bonds.

Equity investments are subject to greater volatility, thus providing a greater opportunity for capital gains, and a greater opportunity for capital losses. Equity investments offer little or no current income. Equity investments are subject to market risk and interest rate risk, while providing an opportunity to protect against purchasing power risk. Also, stock mutual funds, rather than individual equities, may limit the exposure to business risk and financial risk.

Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be heightened in connection with investments in developing countries. Small-company stocks entail additional risks, and they can fluctuate in price more than larger company stocks.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

### **Voting Client Securities**

One Degree Advisors, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. One Degree Advisors,

Inc. may provide advice to clients regarding the clients' voting of proxies. Clients will receive their proxies or other solicitations directly from their custodian.

## **Item 7 – Client Information Provide to Portfolio Managers**

Personal information (such as name, address, Social Security number, date of birth, assets and income), account and holdings data are disclosed to the Portfolio Managers. This enables the Portfolio Manager to service the Client accounts. One Degree Advisors, Inc. only shares Client personal information and account data pursuant to established One Degree Advisors, Inc. Privacy Policy and does not sell personally identifiable information about current or former clients to third parties. In providing services to Client accounts, One Degree Advisors, Inc. may use third-party service providers, who are contractually bound to respect and protect privacy of Client information.

One Degree Advisors, Inc. also provides information about a Client's state investment objective and investment restrictions.

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

Portfolio Reviews and Rebalancing of the client's portfolio, for the assets held under management with One Degree Advisors, Inc., will be undertaken: (1) periodically as determined by One Degree Advisors, Inc.; (2) upon request by the client, and (3) upon a substantial asset class decline, under the following adopted policies and procedures. All account reviews are conducted by the investment adviser representatives of the firm.

## **Item 9 – Additional Information**

### **Disciplinary Information**

Neither One Degree Advisors, Inc. nor its management persons have any reportable legal or disciplinary events.

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

One Degree Advisors, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other



things. All supervised persons at One Degree Advisors, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

One Degree Advisors, Inc. anticipates that, in appropriate circumstances consistent with clients' investment objectives, it will cause accounts over which One Degree Advisors, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which One Degree Advisors, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. One Degree Advisors, Inc.'s employees and persons associated with One Degree Advisors, Inc. are required to follow One Degree Advisors, Inc. Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of One Degree Advisors, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for One Degree Advisors, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of One Degree Advisors, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of One Degree Advisors, Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between One Degree Advisors, Inc. and its clients.

One Degree Advisors, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at (619) 282-3288.

It is One Degree Advisors, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. One Degree Advisors, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.



## **Client Referrals and Other Compensation**

As disclosed in Item 12 above, One Degree Advisors, Inc. may receive an indirect economic benefit from TDA. One Degree Advisors, Inc., without cost (and/or at a discount), may receive support services and/or products from TDA.

One Degree Advisors, Inc. may provide referrals to other investment advisory firms as a service to clients. However, One Degree Advisors, Inc. does not have agreements with or receive referral fees from any other advisors.

One Degree Advisors, Inc. does not receive, nor does it pay, any fees for client referrals.

## **Financial Information**

One Degree Advisors, Inc. does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance. One Degree Advisors, Inc. accepts limited forms of discretion over clients' accounts, as described in Item 16 of this brochure. One Degree Advisors, Inc. is unaware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. One Degree Advisors, Inc. has never been the subject of a bankruptcy proceeding.