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*d/b/a*  
**TO ONE Asset Management**

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**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of TO ONE Asset Management (the "Firm") and its supervised officers and representatives. If you have any questions about the contents of this brochure, please contact the Firm at the phone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any State securities authority. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training. Additional information about the firm and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 26, 2019 we have no material changes to report.

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## Item 4 Advisory Business

Founded in 2011 by firm Managing Member and sole owner, Mr. Josip Galinec, TO ONE Asset Management (the "Adviser") provides investment advisory services for individuals and corporate clients. Investment advisory services offered by the Adviser range from review, analysis, and recommendation of domestic and foreign securities to ongoing investment or portfolio management (investment and continuous reinvestment of client's assets). While focusing on investments in blue-chip shares of companies and exchange traded funds ("ETF"), investment portfolios created by the Adviser may also include debt offerings. In certain cases the Adviser may recommend the use of options and futures contracts too. The investment advisory services are not limited to certain types of investments and/or securities, but due to the nature of the Adviser's research and investment approach, most clients can expect recommendations related to investments based on equities. Portfolios are composed of different investments to ensure specific combination of income and growth elements in order to achieve positive performance (over a mid- to long-term time frame) while maintaining control of the overall risk involved. The Adviser's investment approach is active in general, and takes advantage of certain (short-term) market opportunities while continuously adopting (it's mid-term target portfolio composition) to fast changing conditions on capital markets.

All services are rendered on an individual basis and according to the specific terms and conditions of the written investment advisory agreement between the client and the Adviser. Such terms and conditions may include limits to the amount of discretionary authority the Adviser may have over client's account, client-imposed restrictions and limits related to the type and amount of particular investment, and other specific rules. Each client's account is managed in accordance with predefined investment objectives and established level of risk tolerance. The Adviser will, in general, group clients with comparable goals, investment objectives and risk tolerance (the same model), and issue purchase and sale orders for the group with predefined allocation criteria. Before clients can engage the Adviser to manage their investments, clients must contract brokerage and custodian services with third party broker and custodian, to execute the transactions ordered by the Adviser and hold all of client's assets (securities and cash). Note that brokers themselves can act as custodians of client accounts. Clients should be aware that brokerage and custodian services carry additional expense to the clients in the form of brokerage commissions, custodial fees, and other charges (please see Item 12 and Item 15 of this brochure for further information). Such costs remain exclusive of, and in addition to, the advisory fees charged by the Adviser for its investment advisory services. The Adviser does not offer any wrapped fee arrangements. Clients should expect to receive periodic statements by custodian showing the value of the account, its holdings, transactions made for the time period, and other relevant information. Clients are encouraged to review such documents for a complete understanding of the investment services rendered, the associated costs, and other conditions that may apply.

Clients are strongly encouraged to review this entire brochure for a complete understanding of the services rendered by the Adviser. Questions and/or concerns related to the brochure and/or other issues may be addressed directly with Mr. Josip Galinec.

### **Assets Under Management ("RAUM")**

As of December 31, 2019, we provide continuous management services for \$1,154,346 in client assets managed on a discretionary basis.

## Item 5 Fees and Compensation

The Adviser renders its investment advisory services both domestically and internationally. Client accounts may vary by size, value, currency, type and approach. The Adviser offers a variety of fee arrangements which may be negotiated on an individual basis.

The **basic advisory fee** charged by the Adviser is an **asset-based fee** derived from a percentage of the client's assets under management (net asset value). For domestic clients, the fee for the Income model will be 1% of the client's assets under management, the fee for the Growth model will be 1.5% of the client's assets under management, and the fee for the Active model will be 2% of the client's assets under management. In lieu of an asset-based fee, certain international clients (including clients using non-discretionary investment advisory services that will generally take active part in managing their own portfolios) may engage the Adviser on an individually negotiated **transaction-based fee** arrangement. Such clients will not be charged an additional asset-based fee. Please note: the transaction-based fee arrangement is reserved solely for international clients in full accordance with applicable laws. This fee arrangement may not be applied to domestic clients.

Atop of basic advisory fee, certain clients may be charged an additional incentive or **performance fee**. Such fees are charged in full accordance with applicable laws. Performance fee arrangements will be offered to domestic clients only if they have been deemed qualified clients in accordance with Rule 205-3 of the Investment Advisers Act of 1940. The annual performance fee is conditional to positive return for the client, and is calculated based on the performance of the client account compared to the performance of pre-agreed benchmark (or pre-agreed expected return for the client) as of the end of each calendar year (or at the termination of investment advisory services). The performance fee is equal to 25% of the gain earned in the client account (reflecting both realized and unrealized gains) over the pre-agreed benchmark or pre-agreed expected return. The performance fee is billed annually and is payable within 30 days of year-end.

All fees are subject to strict negotiation. Fees are memorialized in writing in an investment advisory agreement between the client and the Adviser. Pursuant to the agreement, basic advisory fees are generally deducted from the clients account on a set schedule (ranging from daily to quarterly - as the client, in agreement with the Adviser, instructed the custodian). For the performance fee, clients are provided with an invoice from the Adviser (including the calculation of the performance fee).

As previously stated in Item 4 of this brochure, clients may expect additional charges within their accounts for brokerage and custodial services. These charges remain exclusive of, and in addition to, the advisory fees charged by the Adviser for its investment advisory services. Such charges will include certain expenses and costs incurred by selected broker and custodian. These charges may consist of broker's commissions (or transaction fees, including dealer spreads and other costs associated with purchase and sale of securities), custodian's fees, interest, taxes and other charges incurred by the broker and custodian. Accordingly, clients are strongly encouraged to review their brokerage and custodial statements for a complete breakdown of the charges therein. Please see Item 12 and Item 15 of this brochure for further discussion related to brokerage and custodial arrangements.

The Adviser and/or its officers and representatives do not share in any commissions charged by broker (except as a part of transaction-based fee arrangement and in lieu of a traditional asset-based fee arrangement - being an option for international clients only) or mutual fund/ investment companies. The Adviser, its officers and representatives, derive their Adviser-based income solely from the Adviser's investment advisory business.

Clients may terminate the investment advisory agreement and all services, without penalty, at any time, by providing written notice, and effective at the end of the business day when the notice was delivered. Upon termination the Adviser shall have no obligation to recommend any action with regard to, or to liquidate client account. Such clients will remain responsible for any unpaid advisory fees up to the date of termination. The investment advisory agreement may not be transferred or assigned without written approval from the client.

Questions regarding fees and/or fee arrangements may be addressed directly with Mr. Galinec.

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

In certain cases, the Adviser will charge its clients an incentive or performance fee. This fee is conditional (upon positive result and execution over a certain performance level) and represents a share of net capital gains (or capital appreciation) of client assets - and is calculated as explained in Item 5 of this brochure. The performance fee is charged in addition to the basic advisory fee. The specific nature of the performance fee is negotiated in advance with the client and memorialized in writing within the investment advisory agreement.

The Adviser will not charge domestic clients a performance fee unless such clients have been deemed qualified in accordance with Rule 205-3 of the Investment Advisers Act of 1940. In all cases, the Adviser conducts a thorough and ongoing review of the financial background of such clients to ensure that state, federal, and international laws are followed at all times.

Clients should note that advisers charging a performance based fee in addition to a basic advisory fee are deemed to maintain a conflict of interest. Such advisers and/or their representatives may favor those clients paying two sets of fees over those paying a single fee. However, the Adviser has implemented an internal policy that requires Adviser officers and representatives to treat each client and each underlying account in a fair and ethical manner. The Adviser's officers and representatives may not engage in any practice where certain accounts are favored over others, and the Adviser's Managing Member conducts a thorough review of all trading activity to ensure consistency with this policy.

## Item 7 Types of Clients

The Adviser renders investment advisory services (including investment or portfolio management) to individuals and corporate clients, located domestically and internationally.

The Adviser will generally impose a minimum account size requirement on new accounts of \$10,000 for Income and Growth, and \$30,000 for Active (and other) investment models. However, in certain cases, this amount may be negotiated depending upon the circumstances.

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

The Adviser will conduct a thorough assessment of the capital markets on a daily basis. From the review of financial articles and blogs, inspections of corporate activities and company press releases, rating services, annual reports, and prospectus materials to filings with the Securities and Exchange Commission, third party research, and other related documents, investment advice is prepared and investments are managed according to a strict regimen. This regimen includes preparing a periodical analysis of the markets and issuers/securities to determine target composition and weightings (asset allocation), and entry, target and stop-loss prices, as well as other relevant factors.

Periodical analysis includes a combination of fundamental and technical methods to assess opportunities and risks in the capital markets. **Fundamental analysis** is used, especially top-down approach, to identify sectors, industries and companies with compelling business and financial characteristics, as well as growth potential for specific companies. The Adviser also uses third party research materials, prepared by leading investment research firms and independent analysts. **Technical analysis** is used to determine market cycles, and predict highs and lows within the cycle.

The Adviser uses certain professional computer software and web-based applications (and services) to determine expected moves of certain securities and the viability of making an investment in these. The Adviser continually adapts its investment strategies to market conditions and individual client needs.

A client is matched to an investment model based on the client's individual situation (taking into consideration other sources of income, and other assets and liabilities) and objectives within the context of income and growth expectations, time horizon and risk tolerance. Specific information collected during the interview with each client interested in investment management, prior to contracting for investment advisory services, include decisions on investment model, strategy and rules, expected return and volatility, and how the performance will be compared and measured (international and qualified clients only).

The Adviser's investment strategy will generally remain active and adaptive to all market cycles. A proactive approach (by using stop-loss orders, taking position in inverse ETFs, and/or using options) will be used to minimize potential losses and to hedge bigger investments, to make sure that the preservation of assets remains in focus at all times. The Adviser will offer a custom made portfolio to each client; ranging in terms of approach and focus from Income to Growth and Active and any combination thereof. All investment models are based, in general, on relatively high exposure to equities. All models are designed for mid- to long-term investment horizon. Three basic investment models offered are Income, Growth and Active.

**Income:** Income investment model reflects investor's desire to seek more stable returns (current income) with moderate potential for growth while avoiding high risk. It employs individual stocks (especially preferred stocks and utility sector in general), debt offerings (government, municipal, and corporate bills, notes and bonds) and ETFs (especially fixed income and index tracking funds).

**Growth:** Growth investment model reflects investor's desire to seek higher growth over time (rather than current income) with higher tolerance for risk. It employs growth stocks (mid-cap and large-cap companies), ETFs (to get exposure to certain countries, regions or markets, business sectors and commodities), and options and futures contracts (mainly for hedging and asset protection purposes).

**Active:** Active investment model reflects investor's desire to seek substantial growth over time by investing in growth stocks (especially small-cap and mid-cap companies), ETFs (including more volatile and leveraged ETFs), and options and futures contracts, while utilizing short-term opportunities (higher frequency trading). Active investment strategy offers the opportunity to earn substantial returns but also carries a substantial amount of risk. Investors must have high tolerance for volatility and risk.

In general, the Adviser bases its investment approach on mid-term market predictions and expectations and (especially for Active strategy) trading on short-term opportunities, including intraday. Special care is taken to ensure that trading frequency does not negatively affect the performance (short-term, higher frequency trading is closely monitored, separately from other trading, for net positive result for the client - in average, on monthly basis).

Clients should note that investing in securities itself carries an inherent risk of loss (including loss of principal) that clients should be prepared to bear. These risks are higher when using an approach focused on growth and higher frequency trading.

The Adviser's research and risk approach to continuous investment management tries to minimize the probability of serious and sustained loss. The most significant risks include, but are not limited to, the following risks:

**Market Risk:** the risk that changes in overall market will have an adverse effect on individual securities regardless of the company's circumstances. The Adviser is using diversification (exposure to different markets, and commodities) to try to reduce overall market risk and enhance returns. Beta coefficients are used to measure and compare the risk of particular securities versus the overall risk of the portfolio and of the market in general. **Currency Risk:** the risk that the value of either domestic currency or foreign currency will fluctuate. When the performance is measured in domestic currency, this risk is primarily associated with investments in foreign securities, by direct ownership of foreign securities or by ownership of American Depositary Receipts ("ADRs"). **Regulatory Risk:** the risk that some change in regulations can have an effect on the performance or risk of a business and/or entire business sectors. **Business Risk:** the risk is associated with a particular company or a particular business sector. The Adviser mitigates business risk by sector diversification and investing most assets under management in blue-chip mid-cap and large-cap companies with secure balance sheets (being more secure to business risk). The Adviser employs fundamental analysis to evaluate potential investments against business risks. **Liquidity Risk:** the risk that an investor will not be able to readily convert a particular investment into cash. The Adviser invests only in liquid securities that are listed on the biggest stock exchanges domestically and internationally.

Questions regarding the Adviser's methods of analysis, investment approach, and further inquiry as to the risks involved may be addressed directly with Mr. Josip Galinec.

## Item 9 Disciplinary Information

Pursuant to state and federal law, investment advisers are required to disclose certain information deemed material to a client's evaluation of the investment adviser and its representatives. Please note, neither the Adviser nor its officers and representatives have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time. Further review of the Adviser and its officers and representatives may be found at the SEC's Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

Questions regarding the conduct of any representative of the Adviser may be addressed directly with Mr. Josip Galinec.

## Item 10 Other Financial Industry Activities and Affiliations

As stated elsewhere within this brochure, both the Adviser and its officers and representatives rely upon the income received from their advisory services. The Adviser is not engaged in any other business activities and it does not maintain business affiliations with any financial/investment, accounting, legal, real estate, or other similarly appointed entities. The Adviser does not recommend or refer business to any other investment adviser for compensation.

In addition to the income derived from his investment advisory work, the Adviser's Managing Member, Mr. Josip Galinec, holds a significant interest in a real estate, tourism and student services businesses, all of which are located in Croatia. As a result of his interests in these businesses, he is compensated on a share of any profits earned therein. His work with mentioned entities remains completely separate from his work with the Adviser. Clients are not solicited to invest in any of Mr. Galinec's other business activities.



## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As an investment adviser, the Adviser holds a fiduciary duty to its clients (both prospective and existing) to act faithfully and ethically with respect to the management of client assets. As a matter of principle, the Adviser has adopted a Code of Ethics which contains several policies geared towards the prevention of any unethical practice. The Adviser's officers and representatives are required to acknowledge their understanding of these policies and adhere to them at all times.

Where Adviser's officers and representatives may, at times, purchase or sell securities for their own accounts that they have similarly recommended to clients, they have been made aware of their obligations under the Code and must refrain from taking any action that could serve to disadvantage clients or their accounts. Records related to securities transactions of Adviser's officers and representatives are reviewed on a routine basis for any potential (or realized) conflicts of interest. All trading practices are closely monitored by Mr. Galinec.

A copy of the Code of Ethics will be provided to any client (prospective or existing) upon request

## **Item 12 Brokerage Practices**

While selection of broker remains with the client, the Adviser may recommend clients to utilize the services of Adviser's preferred broker (Interactive Brokers LLC). The Adviser, however, holds no affiliation with the preferred broker. The Adviser will not receive or partake in any proffered research, products, or other services (other than execution of client transactions) rendered by the preferred broker - if selected by the client.

The Adviser's decision on its preferred broker is based on research and valuation of a number of brokerage services offered using the following criteria: safety, quality and cost of execution, reputation and overall scope and level of services offered. This is combined with reviews from independent sources (Barron's, The Transaction Auditing Group and others). Clients should note that the recommendation is also based upon the Adviser's familiarity and experience with the services rendered by the preferred broker.

Although the preferred broker provides competitive rates, the selection is not based solely upon a competitive price analysis. As mentioned above, brokers are evaluated based upon quality and speed of execution, recommendations and industry reputation, quality of end-user interface (especially trading software), market reach and other capabilities. The Adviser does not recommend broker in return for any referral arrangement, or other similar incentive.

The Adviser, however, may enter into certain trading arrangements with the broker selected by the client that allow for lower commission costs based on higher trading volumes (by aggregating the volumes on the level of the Adviser) or based on trading structured to add, rather than remove, liquidity from the markets. All actual savings on commissions are passed on to clients in case of asset-based fee arrangements with the Adviser.

Although the Adviser may find certain brokers more attractive than others, clients should note that the selection of Adviser's preferred broker may incur more (or less) cost to the client's account. The broker can charge varying commission rates and levy additional costs to their customers. Accordingly, the Adviser's preference of a particular broker should not be misconstrued to imply that such broker

provides better pricing or better services than other brokers offering similar services. At the end, the selection of broker is a client decision. The Advisor will attempt to accommodate clients with any specific broker selection when applicable.

In placing orders for client accounts, the Adviser attempts to aggregate such orders, via what is commonly referred to as a block order (resulting in block trade), to be able to take advantage of certain efficiencies. Where client accounts may purchase/sell the same securities, a block trade of such securities is made to obtain favorable execution pricing and/or commission rates. In such cases, in the process of allocation of the trade, the block trade is divided fairly amongst participating accounts and the resulting commission charged according to the allocation weighting. Where block orders may be executed in multiple transactions at different prices, the Adviser will ensure that client accounts are charged accurately, at the average price realized for the block trade.

Questions and/or concerns regarding the Advisor's brokerage practices may be directed to Mr. Josip Galinec.

### **Item 13 Review of Accounts**

Client accounts are reviewed on a continuous basis for consistency with stated objectives and overall performance by Mr. Galinec. The performance of each account is addressed at length with each client on a regular basis, at least once per year. Accordingly, clients are strongly encouraged to keep the Adviser abreast of any changes to their financial status which could affect the composition or the strategy of managing of their portfolios. On occasion, but at least once per quarter, the Adviser will prepare and distribute written market commentary, account-related performance comparison, and other relevant information. Such information is meant to supplement the periodic account statements distributed by the custodians of clients' accounts. Again, clients are reminded to review their account statements in detail for a full understanding of the services rendered and the associated costs therein. Questions regarding such documentation may be addressed directly with Mr. Josip Galinec.

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

The Adviser may enter into compensation arrangements with certain third party individuals for the referral of clients. In each case, the client is provided with disclosure as to the arrangement and given the opportunity to decide whether to pursue an engagement with the Adviser. Such agreements and the terms and conditions therein are memorialized via a written agreement between the Adviser and the referring party. Clients should note that where payment is made for the referral of a client, such clients will not be charged in excess of the agreed fees. All referral arrangements are vetted carefully for compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940 and similar State requirements.

### **Item 15 Custody**

The Adviser does not maintain custody of clients' assets, other than automatic deduction of asset-based advisory fees from accounts, as authorized by clients. All client accounts and the assets therein are held at a qualified custodian such as a brokerage, a bank, or a trust company offering custody services. The selection of custodian is a client decision. The Advisor will attempt to accommodate clients with any specific custodian selection when applicable.

Selected custodian will provide client with periodic statements (daily, monthly or quarterly - depending upon activity within the account and arrangement between client and custodian). Clients are encouraged to review statements delivered by custodian. Where the Adviser will, quarterly and on special occasions, distribute its own account related information, these materials should be compared with the custodian account statements for consistency.

The Adviser's preferred broker (Interactive Brokers LLC) offers custodian services for their clients, and will not charge any additional fees for settlement, custody and related services, atop of listed brokerage commission. Note that described pricing policy may be changed.

Questions and/or concerns regarding custody services may be directed to Mr. Josip Galinec.

## **Item 16 Investment Discretion**

For clients that have entered into a discretionary investment advisory agreement with the Adviser, the Adviser maintains discretionary authority over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from clients, as agreed upon in the investment advisory agreement.

However, all purchases, sales, and selections of securities may be subject to specified investment objectives, guidelines, limitations and rules previously set forth by the client and agreed to by the Adviser. Discretionary authority is only authorized upon full disclosure to the client. The granting of such authority is made evident by the client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by the Adviser are conducted in accordance with each client's investment objectives and goals.

## **Item 17 Voting Client Securities**

The Adviser will not take action on client proxy solicitations. All votes and the voting authority remain the exclusive domain of the client. Clients will receive voting materials directly from selected custodian. Clients may contact Mr. Josip Galinec with questions about a particular solicitation.

## **Item 18 Financial Information**

Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940 and similar State statutes, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser. As of the date of this filing, the Adviser does not require the pre-payment of any investment management fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients. The Adviser has not been the subject of a bankruptcy petition at any time.

## **Item 19 Requirements for State-Registered Advisers**

Principally owned and operated by Mr. Josip Galinec, the Adviser requires representatives providing investment advice on its behalf to be properly registered as investment adviser representatives. Such representatives must meet appropriate qualifications for registration and have a suitable background.

Neither the Adviser nor its officers or representatives have any current or prior financial hardship or other such disclosure history to report. The Adviser and its officers and representatives do not maintain any relationships or other arrangements with any issuer of securities to be invested into or other relevant entities. Please refer to Part 2B, Brochure Supplements (attached), for further information with

respect to Adviser's representatives. Performance fees are charged annually to certain international clients and qualified domestic clients. The annual performance fee is conditional to positive return for the client, and is calculated based on the performance of the client account compared to the performance of pre-agreed benchmark (or pre-agreed expected return for the client) as of the end of each calendar year (or at the termination of investment advisory services). The performance fee is equal to 25% of the gain earned in the client account (reflecting both realized and unrealized gains) over the pre-agreed benchmark or pre-agreed expected return. Performance fees may create an incentive for the Adviser to recommend an investment that may carry a higher degree of risk to the client.

The Adviser's officers and representatives will not be additionally compensated for advisory services paying performance fees.

## **Item 20 Additional Information**

**Privacy:** The Adviser generally prohibits the disclosure of any client-related non-public personal information as collected by the Adviser throughout the client/adviser relationship. However, the Adviser may make limited disclosure of such information as authorized by the client, or as otherwise provided by law. A copy of the Adviser's Privacy Policy will be provided to each client upon inception of the relationship and annual thereafter.

**Business Continuity:** The Adviser has made preparations via a planning document to expedite the resumption of business in the event of a major disruption. A copy of the Business Continuity Plan is available for review by request.