

**Anodos Advisors, LLC**

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January 1, 2022

**Form ADV Part 2A  
Disclosure Brochure**

This brochure provides information about the qualifications and business practices of Anodos Advisors, LLC (“Anodos”). If you have any questions about the contents of this brochure, please contact us at 805-899-1245 or [info@anodosadvisors.com](mailto:info@anodosadvisors.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Anodos Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**Item 2:**  
**Material Changes**

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This brochure is provided to our clients and prospective clients bringing to their attention any material changes that have taken place at Anodos Advisors, LLC. Since the filing of Anodos' ADV in March 2021 no material changes have occurred.

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**Item 3:**  
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## **Item 4: Advisory Business**

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### **Our Firm**

Anodos Advisors, LLC ("Anodos") is an investment governance consulting firm. Anodos was formed in 2005 to meet the needs of foundation and endowment boards, ERISA trustees, non-corporate trustees, and families of means. We help our clients answer the question, "Is my investment advisor doing a good job?" For some clients answering this question is a matter of curiosity. For most it is a duty of care they are obligated to fulfill. We provide support in the development and administration of investment governance and oversight policies and procedures.

Anodos does NOT manage money. In our view, it would be impossible to preserve our objectivity if we were both providing investment governance functions for our clients and also providing a competitive service offering to the investment advisors we were auditing. We are prohibited by contract from ever providing investment advisory services to our clients.

Anodos does NOT introduce candidate investment advisors or sub-managers to our clients. In our view, it would be impossible to preserve our objectivity if we were providing both investment governance functions for our clients and also making introductions to the investment advisors and managers that we were responsible for auditing. We are prohibited by contract from ever making introductions or referrals of investment advisors or sub-managers to our clients.

As an investment governance and auditing consultant, Anodos does not have a particular investment management process or doctrine that we believe is best. Instead, we help our clients document their own investment objectives, expectations, and policies. Once the client's investment objectives have been defined, we counsel our clients to (1) defer to the good judgment of their selected investment advisor(s) the implementation of these guidelines; and (2) take seriously their role to independently confirm that the investment advisor(s) is following the documented parameters. "Trust, but verify" is our governance maxim.

### **Our Services**

It's difficult to answer the question, "Is my investment advisor doing a good job?" The reason it's so hard to answer is that the capital owner (the "employer") has often failed to clearly define and measure the job for which the advisor (the "employee") has been hired. Too often, defining the investment objectives and key performance indicators is left to the advisor with

predictable results. It is for the capital owner to define the job that the advisor has been hired to accomplish. Absent clear instructions from the employer, it is impossible to evaluate the employee's effectiveness.

A prudent capital owner will (1) identify the financial objectives they are seeking to accomplish; (2) define investment policies that inform the advisor's activities; and (3) establish procedures to test that the policies are being complied with. This three-step process is the framework for effective investment governance for both large and small portfolios.

Anodos develops and administers this *investment governance process* on behalf of the client--whether an individual investor or a fiduciary who has a legal duty of care. While the scope may vary depending upon the client's particular needs, our services typically incorporate the following components:

- Establishing an "Investment Governance Statement" with the client's financial objectives, investment policies, and other key performance indicators.
- Establishing a "compliance calendar" for ongoing review activities.
- Comparing the performance of the portfolio to the documented return objective, risk expectation, and independently set benchmarks.
- Conducting a diversification analysis of the portfolio's holdings at the security, sector and asset class levels.
- Conducting a fee analysis to determine whether fees paid to the investment advisor are reasonable and customary given the portfolio's size and complexity.
- Investigation of the advisor's standing among the regulatory bodies.
- Investigation of any conflicts of interest that may influence the advisor's activities.
- Producing independent, consolidated performance reporting.

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### **Item 5:** **Fees and Compensation**

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For ease of administration and fundamental fairness, Anodos charges a flat, project-based fee agreed upon at the inception of the relationship. Project-based fees typically average \$3,000-\$5,000 depending on the complexity of the engagement.

Ongoing monitoring and reporting or governance engagements are charged a monthly retainer typically between \$1,000-\$3,000 per month, but this varies based upon the portfolio size, complexity, and number of investment advisors being monitored.

Anodos' fees are agreed upon in writing and in advance. Either the client or Anodos may terminate the service agreement at any time for any reason or for no reason with reasonable notice. Any prepaid retainer that has been unused will be promptly returned to the client.

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**Item 6:**  
**Performance-Based Fees and Side-by-Side Management**

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We do not charge for or accept payment of performance-based fees. There is no side-by-side management activity.

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**Item 7:**  
**Types of Clients**

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Our clients are foundations and endowment board members, ERISA trustees, non-corporate trustees, and families of means. Our clients' common attributes are that they have oversight responsibility of substantial financial assets and in many cases owe fiduciary duties of care to third parties for whom they are a trustee, conservator, or guardian.

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

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A summary of our Methods of Analysis when delivering our governance support follows:

1. Identifying the fiduciary duties or best practices for portfolio oversight.

2. Establishing a return objective and risk expectations for the portfolio.
3. Identifying several benchmarks against which to compare the investment advisor's actual performance. These benchmarks typically include a Strategic Benchmark, a Peer Group Benchmark, a benchmark suggested by the advisor, and other key performance indicators appropriate for analysis.
4. Analysis of diversification of the portfolio assets among various factors such as asset type, size, book to market, industry sector, number of securities, and country.
5. Conducting a cost study for the fees charged by the investment advisor and the products or sub-managers the investment advisor has selected. Then comparing the actual portfolio cost to those that are typical of portfolios of similar size, complexity, and investment style.
6. Investigating whether the advisor is licensed and in good standing with the regulatory bodies that oversees their activities and if there are any complaints or civil or criminal actions that the client would want to know about.
7. Because Anodos does not manage money or have discretion over any clients' assets, a description of our Investment Strategy and Risk of Loss does not apply to our business offering.

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**Item 9:**  
**Disciplinary Information**

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There have been no disciplinary actions filed against Anodos or its employees.

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**Item 10:**  
**Other Financial Industry Activities and Affiliations**

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Anodos is independently owned and operated and is not affiliated with any other financial institution. In no instance does Anodos or its owners receive revenue, compensation or fees

from investment advisors or any other party other than from its clients, nor share in any of the fees charged by its clients' investment advisors or other service providers.

Joshua S. Yager and Ryan D. Wolfshorndl, 5% or greater owners of Anodos, are co-owners of Financial Vision, LLC, a financial planning firm serving a small group of clients in the San Francisco Bay Area. Financial Vision is a small, state-registered investment advisory firm that was originally founded in 1990 by Marcee Yager, Josh Yager's mother. At the time of her retirement in 2013 Marcee asked Josh and Ryan if they would serve, in a caretaker role, the few remaining clients served by this business. No marketing efforts are made to grow this business. Financial Vision, LLC is in no way affiliated with Anodos Advisors, LLC. Both Mr. Yager and Mr. Wolfshorndl receive modest compensation from Financial Vision for their financial planning and oversight roles. The clients served by Anodos and the services provided to its clients are completely separate, distinct, and in no way affiliated with Financial Vision, LLC, and prohibitions in the Anodos contract and Code of Ethics prevent either firm soliciting or serving clients of the other.

Joshua S. Yager, a greater than 10% owner of Anodos, is a licensed attorney authorized to practice law in California. Mr. Yager does not actively practice law or provide legal advice to Anodos clients.

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## **Item 11: Code of Ethics**

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### **Code of Ethics**

Anodos has adopted a Code of Ethics and Business Conduct (the "Code") that requires all employees to uphold the highest ethical standards and fundamental principles set forth in the Code as well as the policies and practices that are derived from those principles. The Code also has provisions requiring adherence to the law, prohibiting insider trading, misuse of material nonpublic information, restrictions on outside business activities, acceptance of gifts, and other pertinent conflicts of interest. The Code requires employees who have knowledge of a violation of the Code to promptly report the matter and provides assurances against retaliation for reporting. We will provide a copy of the complete Code to clients and prospective clients upon request.



Employees and owners of Anodos are prohibited from recommending to current clients any non-public investment opportunities in non-public investments in which the employee or owner has an interest.

**Potential Conflicts**

A “conflict of interest” may exist when a service provider or its representatives has a financial or non-financial interest that may make it difficult to perform the contracted service to the client objectively or effectively. In no instance does Anodos or its representatives have any interests which compromise our objectivity in delivering the agreed upon service to our clients.

**No conflicts of interest exist between Anodos or its representatives and the duties owed to its clients.**

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**Item 12:**  
**Brokerage Practices**

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Because Anodos does not provide direct, ongoing investment advisory services in the traditional sense, we have no brokerage or custodial affiliation. Anodos receives *no* form of benefit—compensation, research, or other preferential treatment—from any custodial, advisory, or management firm.

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**Item 13:**  
**Review of Accounts**

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When a client has engaged Anodos for ongoing monitoring and reporting, the frequency and process by which each client’s portfolio is reviewed is as follows:

- On a daily basis Anodos collects aggregated account information across the various custodians, investment advisors, and products. This provides Anodos and the client up-to-date information upon which important decisions can be made.

- On a monthly basis Anodos conducts an audit of all managers' transactions in the client's accounts to "spot check" that the managers' activities are within the bounds of the mandates they were given.
- On a quarterly basis Anodos provides the client a performance report. This report has several functions as a fiduciary tool:
  - It measures the various advisors' activities relative to the *Manager Mandate* documents they have been given which establish the parameters for their investment activities.
  - The measurement of each advisor's actual return versus the Target Return the client needs to achieve their financial goals.
  - We also compare the advisor's risk and return outcomes to independently set benchmarks, which have similar risk-return profiles as the actual portfolio.
- On a semi-annual basis Anodos conducts advisor interviews to confirm there have been no material changes in the advisor's strategy, company ownership, fee schedule, etc. and to confirm that no disciplinary action has been filed against the advisor by the regulatory bodies that oversee their activities.

For project-based engagements, Anodos does not conduct any ongoing reviews.

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#### **Item 14:**

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

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From time to time we refer clients to non-investment advisory professionals as their needs dictate. These referrals are not based on any formal arrangements; they are based solely on professional experience and a belief that the client will benefit from the service. We do not receive any form of compensation or benefit for making referrals.

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#### **Item 15:**

### **Custody**

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Anodos does not maintain custody of the assets for which oversight is provided. Clients' assets must be maintained in an account at a qualified custodian, typically a brokerage firm or bank.

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**Item 16:**  
**Investment Discretion**

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Periodically, our clients will sign a Limited Power of Attorney (LPOA) document with a custodian they use, granting Anodos the limited ability to approve the trading of securities in a particular account.

This LPOA is needed periodically when a client has engaged a brokerage firm to manage assets on a non-discretionary basis where pre-approval by the client is needed for each transaction. This need arises most frequently in the management of the client's core bond holdings with a "buy and hold until maturity" strategy.

Trading authorization in these accounts is needed for practical reasons when the manager identifies a particular security that meets the parameters of the *Manager Mandate* (e.g., a particular bond is consistent with the predefined credit quality, duration, issuer type, etc.). As most of our clients prefer to not be in frequent communication with their portfolio managers to authorize these types of trades, in some cases our clients have delegated to Anodos the power to approve trades consistent with their predefined mandate on their behalf. In no instance does Anodos authorize trades that deviate from the strictly defined, client-approved *Manager Mandate*.

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**Item 17:**  
**Voting Client Securities**

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Anodos does *not* vote client securities (proxies) on behalf of clients. The client's investment advisors are responsible for either voting securities or disclosing to clients that the client is responsible for doing so.

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**Item 18a:**  
**Financial Information**

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Anodos has no financial commitments that impair our ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

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**Item 18b:**  
**Commitment to Client Privacy**

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Anodos recognizes that it is essential to maintain the complete trust and confidence of our clients. The nature and importance of our client relationships require the highest standards of confidentiality and discretion. Anodos is committed to maintaining the security and confidentiality of the non-public information gathered, used, and stored for the benefit of Anodos clients. A copy of the Anodos Privacy Policy with a detailed description of the policies and procedures used to protect our clients' sensitive information is available upon request.

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## **Form ADV Part 2B**

### **Brochure Supplement**

**Joshua S. Yager**

This brochure provides information about Joshua S. Yager that supplements the Anodos Advisors, LLC ("Anodos") brochure. You should have received a copy of that brochure. Please contact Joshua S. Yager if you did not receive Anodos Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

## **Item 2: Educational Background and Business Experience**

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Joshua S. Yager, Co-Founder & Chief Compliance Officer: born 1970; B.A. Westmont College; J.D., Santa Barbara College of Law; Partner, Anodos Advisors, LLC (2012 to present); Chief Executive Officer, The Anodos Group, LLC (2005 to 2011); Senior Consultant, Mercer Global Advisors (1993 to 2005).

## **Item 3: Disciplinary Information**

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Joshua S. Yager does NOT have any disciplinary information to report.

## **Item 4: Other Business Activities**

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Joshua S. Yager is the co-owner of Financial Vision, LLC. Financial Vision is in no way affiliated with Anodos Advisors.

## **Item 5: Additional Compensation**

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Joshua S. Yager is receiving compensation for services rendered to Financial Vision, LLC.

## **Item 6: Supervision**

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An Annual Compliance Calendar is maintained which includes a review of internal policies, internal e-mails, personal trading, and other actions performed by individuals within the firm. Joshua S. Yager is responsible for administration of this calendar and is assisted by Rebecca A. Cox. Mr. Yager reports to Ryan D. Wolfshorndl any violations found during review of compliance procedures. In addition, Mr. Yager provides to Mr. Wolfshorndl an Annual Report of the effectiveness of the internal operations of the firm.

Generally client meetings are attended by at least two individuals. Meeting notes are maintained for all client meetings and can be reviewed at any time by supervisory personnel.

## **Item 7: Requirements for State-Registered Advisors**

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Joshua S. Yager has not been found involved in, awarded, or found liable in an arbitration claim alleging damages in excess of \$2,500 or a civil, self-regulatory organization, or administrative proceeding. Joshua S. Yager has not been the subject of a bankruptcy petition.

If you have concerns or complaints please direct them to Joshua S. Yager, Chief Compliance Officer, who can be reached at 805-899-1245 or [josh@anodosadvisors.com](mailto:josh@anodosadvisors.com).

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## **Form ADV Part 2B**

### **Brochure Supplement**

**Ryan D. Wolfshorndl**

This brochure provides information about Ryan D. Wolfshorndl that supplements the Anodos Advisors, LLC (“Anodos”) brochure. You should have received a copy of that brochure. Please contact Joshua S. Yager if you did not receive Anodos Advisors, LLC’s brochure or if you have any questions about the contents of this supplement.

## **Item 2: Educational Background and Business Experience**

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Ryan D. Wolfshorndl, Associate: born 1983; BA, Westmont College; Partner, Anodos Advisors, LLC (2012 to present); Associate, The Anodos Group, LLC (2005 to 2011). CFA® designation, 2009. A CFA®, Chartered Financial Analyst, designation is a graduate-level self-study program combining broad-based curriculum of investment principles with professional conduct requirements.

## **Item 3: Disciplinary Information**

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Ryan D. Wolfshorndl does NOT have any disciplinary information to report.

## **Item 4: Other Business Activities**

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Ryan D. Wolfshorndl is the co-owner of Financial Vision, LLC. Financial Vision is in no way affiliated with Anodos Advisors.

## **Item 5: Additional Compensation**

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Ryan D. Wolfshorndl is receiving compensation for services rendered to Financial Vision, LLC.

## **Item 6: Supervision**

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An Annual Compliance Calendar is maintained which includes a review of internal policies, internal e-mails, personal trading, and other actions performed by individuals within the firm. Joshua S. Yager is responsible for administration of this calendar and is assisted by Rebecca A. Cox. Mr. Yager reports to Ryan D. Wolfshorndl any violations found during review of compliance procedures. In addition, Mr. Yager provides to Mr. Wolfshorndl an Annual Report of the effectiveness of the internal operations of the firm.

Generally client meetings are attended by at least two individuals. Meeting notes are maintained for all client meetings and can be reviewed at any time by supervisory personnel.

## **Item 7: Requirements for State-Registered Advisors**

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Ryan D. Wolfshorndl has not been found involved in, awarded, or found liable in an arbitration claim alleging damages in excess of \$2,500 or a civil, self-regulatory organization, or administrative proceeding. Ryan D. Wolfshorndl has not been the subject of a bankruptcy petition.

If you have concerns or complaints please direct them to Joshua S. Yager, Chief Compliance Officer, who can be reached at 805-899-1245 or [josh@anodosadvisors.com](mailto:josh@anodosadvisors.com).