

**Item 1: Cover Page**

**Firm Brochure**

(Part 2A of Form ADV)

**ONEFUND, LLC**

**CRD #305171**

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St. Petersburg, FL 33701-4313

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**March 30, 2023**

This brochure provides information about the qualifications and business practices of ONEFUND, LLC. If you have any questions about the contents of this brochure, please contact us at 808-600-5366, or by email at [mike@onefund.io](mailto:mike@onefund.io). 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. ONEFUND, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 808-600-5366 or by email at [mike@onefund.io](mailto:mike@onefund.io). We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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

## Item 2: Material Changes

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### Material Changes since the Last Update

This section of our Form ADV Part 2A or “Brochure” is an update of our previously filed Brochure. Please note, however, that only material changes that have occurred since our last annual update on March 22, 2022, are summarized in this section.

- Item 5 has been amended to indicate fees are based on the average daily balance of the assets throughout the quarter.
- Item 16 has been updated to reflect our broadened discretionary authority to select brokers and negotiate commissions on behalf of clients.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

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## Item 3: Table of Contents

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

## Item 4: Advisory Business

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### Firm Description

ONEFUND, LLC (“ONEFUND,” the “Adviser,” the “Firm,” or “we”), formerly known as The Index Group, Inc., was founded in 2004.

ONEFUND currently works exclusively with one client, ONEFUND TRUST, a Delaware statutory trust and an investment company registered under the Investment Company Act of 1940 (the “Investment Company Act of 1940”).

ONEFUND serves as the investment adviser to the ONEFUND S&P 500® Equal Weight Index (the “Fund”).

ONEFUND currently has no separately managed accounts.

ONEFUND is strictly a fee-only investment management firm. The Firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities except as it relates to Index Funds, Inc. No commissions in any form are accepted.

Other professionals (e.g., lawyers, accountants, insurance agents, financial planners, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

As of December 31, 2022, the Firm managed approximately \$ 98,462,916 on a discretionary basis.

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### Tailored Relationships

Investment decisions for the Fund are generally tailored to the investment objectives and investment strategies as set forth in the Fund’s prospectus.

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### Asset Management

Portfolio will primarily be invested in S&P 500 constituents or no-load S&P 500 index mutual funds and ETFs. Initial public offerings (IPOs) are not available through the Firm.

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### Wrap Program

We do not sponsor a wrap program.

## Item 5: Fees and Compensation

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### Description

As noted above, the Firm bases its fees on a percentage of assets under management.

*The Fund*

ONEFUND TRUST, on behalf of the Fund, has entered into an advisory agreement with ONEFUND. As compensation for its services, ONEFUND is contractually entitled to a management fee of 0.25% of the Fund's assets (annualized).

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**Fee Billing**

Investment management fees are billed monthly based on the average daily balance of the assets throughout the quarter.

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**Other Fees**

None

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**Expense Ratios**

Mutual funds and ETFs generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 25 basis points means that the mutual fund company charges 0.25% for their services.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

ONEFUND reserves the right to stop work on any account that is more than 30 days overdue. Any unused portion of fees collected in advance will be refunded within 30 days.

## **Item 6: Performance-Based Fees**

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ONEFUND does not use a performance-based fee structure.

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

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**Description**

ONEFUND currently works exclusively with one client, ONEFUND TRUST a Delaware statutory trust and an investment company registered under the Investment Company Act of 1940 (the "Investment Company Act of 1940").

ONEFUND serves as the investment adviser to the ONEFUND S&P 500 Equal Weight Index (the "Fund").

ONEFUND currently has no separately managed accounts.

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**Account Minimums**

ONEFUND's account minimum is \$10 million. The initial investment minimum for the Fund is \$1,000, and the minimum amount for subsequent investments is \$100. Due to the proportionately higher costs of servicing accounts with lower balances, Fund accounts maintaining a balance under \$10,000 will be

charged a \$20 annual maintenance fee. The Fund also reserves the right to close accounts under \$1,000 and send the proceeds to the shareholder.

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

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### **Methods of Analysis**

Security analysis consists of reviewing S&P 500® constituent data provided by Standard & Poor's. This data details which companies are held by the index and what the weightings are for each company. The Adviser uses this data to mirror the Fund's portfolio to the index.

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### **Investment Strategies**

ONEFUND manages a portfolio of securities that track the S&P 500® Equal Weight Index for Index Funds.

Under normal circumstances, ONEFUND primarily utilizes equities, mutual funds, and ETFs to achieve its objectives.

Investors in the Fund should consult the prospectus and statement of additional information for a more detailed description of their investment strategies and the associated risks. The firm reserves the right to utilize some, or all of the strategies discussed herein, or to modify the manner in which they are used.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor, and all investors should be prepared to bear losses. Investors in the Fund should consult the prospectus and statement of additional information for a more detailed description of the associated risks. Our investment approach constantly keeps the risk of loss in mind. Investors may generally face the following investment risks associated with the strategies that the firm may employ:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a

lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **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.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9: Disciplinary Information**

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### **Legal and Disciplinary**

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Ownership**

Michael G. Willis along with Ho'omau Capital Group, LLC, are the direct owners of ONEFUND, LLC. Steven Todd Johnson is the direct owner of Ho'omau Capital Group, LLC, and as such is an indirect owner of ONEFUND, LLC.

### **Affiliations**

Because Michael G. Willis currently serves as the sole portfolio manager of ONEFUND S&P 500® Equal Weight Index, registered investment company, ONEFUND is affiliated with the Fund.

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

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### **Code of Ethics**

The employees of the Firm have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

ONEFUND has adopted a Code of Ethics that it believes is reasonably designed to protect against conflicts between the personal securities transactions (if any) of the Firm and its principals, officers, and employees (and members of their families) and transactions effected on behalf of clients. The Code of Ethics is based on the principle that the Firm and its employees owe a fiduciary duty to the clients. Thus, employees of the Firm must generally (i) place the interests of clients first, (ii) avoid taking inappropriate advantage of their positions within the Firm, and (iii) conduct their personal securities transactions (if any) in full compliance with the Code of Ethics.

The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **Participation or Interest in Client Transactions**

ONEFUND and its employees may buy or sell securities that are also held by the Fund. If an employee wishes to buy or sell one of the securities held by the Fund, the employee must request approval by the CCO prior to purchase or sale. The CCO then reviews and if appropriate, approves the transaction prior to execution. Holdings of the Fund are immediately made available to employees upon request. Mutual funds and ETFs are exempt from this restriction, and therefore do not require prior approval for purchase.

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### **Personal Trading**

The Chief Compliance Officer of ONEFUND is Michael Willis, is the Chief Compliance Officer. The CCO typically reviews all employee trades each quarter, with the exception of his own, which are reviewed by Mr. Johnson. The personal trading reviews seek to ensure that the personal trading of employees does not affect the markets, and that clients of the Firm are not disadvantaged.

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## **Item 12: Brokerage Practices**

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### **Selecting Brokerage Firms**

ONEFUND typically has discretionary authority to determine the type, amount, price and timing of securities being bought and sold on behalf of its client, including the selection of and commissions paid to brokers, subject to each client's investment policies and goals.

ONEFUND, in seeking to obtain the best execution of portfolio transactions, may consider the quality and reliability of brokerage services. Factors considered by the Firm in selecting brokers and dealers may include the following: price; the broker's or dealer's facilities, reliability and financial stability; the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as complexity of the trade, timing, order size and execution of the orders; and the brokerage and research products and services provided by that broker or dealer to the Firm that are expected to enhance the Firm's general portfolio management capabilities, notwithstanding that a client may not be the direct or exclusive beneficiary of such services.

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### **Best Execution, Soft Dollars, and Directed Brokerage**

Commission rates, being a component of price, are one factor considered together with other factors. ONEFUND may cause a client's account to pay a broker or dealer a commission for effecting a transaction for the client's account that may be higher than a commission charged by another broker if ONEFUND believes the service it receives is better.

To mitigate and address any conflicts of interest that may arise, the Firm has adopted policies and procedures to evaluate, on an ongoing basis, the value of a broker's services and the reasonableness of any commissions charged. ONEFUND does not receive any portion of the trading fees or commissions.

As of the date of this brochure, ONEFUND does not have any soft dollar arrangements in place with brokers and does not use soft dollars.



As noted above, the Firm typically retains discretion over brokerage selection. Certain clients may sometimes wish to restrict brokerage to a particular broker. Because directed brokerage may, in the Firm's view, restrict the discretion the Firm would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions generally for the client's account, ONEFUND typically does not permit directed brokerage arrangements.

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**Order Aggregation**

Since the Adviser only has one client, order aggregation does not apply.

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**Item 13: Review of Accounts**

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**Periodic Reviews**

Fund Account reviews are typically performed quarterly by Michael Willis, President of ONEFUND, at the Quarterly Board Meetings for ONEFUND TRUST.

The Fund also makes available their annual and semi-annual reports as required by the Investment Company Act of 1940.

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

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**Referrals**

ONEFUND does not currently engage or compensate third parties for referrals. However, it reserves the right to. If ONEFUND does engage or compensate third parties for referrals, this compensation will be disclosed by the Adviser.

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**Item 15: Custody**

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**SEC "Custody"**

ONEFUND does not retain physical custody of clients' funds or securities. Assets are held at a qualified custodian. Each qualified custodian typically provides account statements directly to clients at their address of record at least quarterly. Assets of the Funds are custodied pursuant to an agreement between a qualified custodian and the Index Funds trust, in accordance with the requirements of the Investment Company Act of 1940, and the firm does not retain custody of those assets.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by ONEFUND.

## Item 16: Investment Discretion

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### Discretionary Authority for Trading

ONEFUND accepts discretionary authority to manage securities accounts, select brokers, and negotiate commissions on behalf of clients. ONEFUND typically has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Limitations on discretionary authority may be negotiated at the firm's discretion. Discretionary authority is typically conferred via standard investment management agreements and/or powers of attorney, if applicable.

## Item 17: Voting Client Securities

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### Proxy Votes

Since the Adviser has no other clients other than a mutual fund client, the only proxy policy applicable is the proxy policy of the Fund, which can be found in the prospectus at [www.ONEFUND.io](http://www.ONEFUND.io).

Pursuant to our proxy policy, ONEFUND's authority to vote the proxies of certain clients is established by advisory contracts or comparable documents. Clients may direct ONEFUND how to vote certain proxies. If this request is made in writing and received prior to the vote, ONEFUND will follow such written direction. Clients may also reserve the right to vote their own proxies. If so, authorized in the advisory contracts, ONEFUND reviews all proxies it receives from the underlying constituents of the S&P 500 Equal Weight Index when they hold a proxy vote. ONEFUND will vote proxies on certain issues in the best interest of our client. We will utilize input from the Shareholders of the Fund and input from the Management of the underlying companies, among other things, when determining how to vote the proxies in the best interest of our client.

### Conflicts of Interest

We review proxies to assess the extent, if any, to which there may be a material conflict between the interests of our client and our interests, including those of our affiliates, directors, officers, employees, and other similar persons. If a conflict is found, ONEFUND may resolve a potential conflict in any of the following manners: we may vote the proxy in accordance with our pre-determined policies and guidelines; may establish informational barriers between the person(s) that are involved in the potential conflict and the person(s) making the voting decision, in order to insulate the potential conflict from the decision maker; or we may abstain from voting the proxy, if the conflict of interest identified, cannot be mitigated or eliminated.

### Voting Records

ONEFUND will provide proxy-voting information to a client for which we are responsible for voting proxies upon written request, including how a proxy was voted. Clients should contact Michael G. Willis, Chief Compliance Officer, to make such a request.

## Item 18: Financial Information

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### Financial Condition

ONEFUND does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because the Firm does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

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### Privacy Policy

Please read the Privacy Policy carefully. It gives you important information about how ONEFUND handles non-public personal information (“Personal Information”) that we may receive about you. It applies to all our past, present and future clients and shareholders of the funds it advises and will continue to apply when you are no longer a client or shareholder.

We consider your privacy to be a fundamental aspect of our relationship with you, and we strive to maintain the confidentiality, integrity, and security of your Personal Information. To ensure your privacy, we have developed policies that are designed to protect your Personal Information while allowing your needs to be served.

In the course of providing, you with products and services, we may obtain Personal Information about you, which may come from sources such as account application and other forms, from other written, electronic, or verbal communications, from account transactions, financial advisor or consultant, and/or from information you provide on our website. You are not required to supply any of the Personal Information that we may request. However, failure to do so may result in us being unable to open and maintain your account, or to provide services to you.

We do not disclose your Personal Information to anyone for marketing purposes. We disclose your Personal Information only to those service providers, affiliated and nonaffiliated, who need the information for everyday business purposes, such as to respond to your inquiries, to perform services, and/or to service and maintain your account. This applies to all of the categories of Personal Information we collect about you. The affiliated and non-affiliated service providers who receive your Personal Information also may use it to process your transactions, provide you with materials (including preparing and mailing prospectuses and shareholder reports and gathering shareholder proxies), and provide you with account statements and other materials relating to your account. These service providers provide services at our direction, and under their agreements with us, are required to keep your Personal Information confidential and to use it only for providing the contractually required services. Our service providers may not use your Personal Information to market products and services to you except in conformance with applicable laws and regulations. We also may provide your Personal Information to your respective brokerage or financial advisory firm, custodian, and/or to your financial advisor or consultant. In addition, we reserve the right to disclose or report Personal Information to non-affiliated third parties, in limited circumstances, where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities or pursuant to other legal process, or to

protect our rights or property, including to enforce our Privacy Policy or other agreements with you. Personal Information collected by us may also be transferred as part of a corporate sale, restructuring, bankruptcy, or other transfer of assets.

We maintain your Personal Information for as long as necessary for legitimate business purposes or otherwise as required by law. In maintaining this information, we have implemented appropriate procedures that are designed to restrict access to your Personal Information only to those who need to know that information in order to provide products and/or services to you. In addition, we have implemented physical, electronic, and procedural safeguards to help protect your Personal Information.

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### **Cookies and Similar Technologies**

Cookies are small text files stored in your computer's hard drive when you visit certain web pages. Clear GIFs (also known as Web Beacons) are typically transparent very small graphic images (usually 1 pixel x 1 pixel) that are placed on a website that may be included on our services provided via our website and typically work in conjunction with cookies to identify our users and user behavior. We may use cookies and automatically collected information to: (i) personalize our website and the services provided via our website, such as remembering your information so that you will not have to re-enter it during your use of, or the next time you use, our website and the services provided via our website; (ii) provide customized content, and information; (iii) monitor and analyze the effectiveness of our website and the services provided via our website and third-party marketing activities; (iv) monitor aggregate site usage metrics such as total number of visitors and pages viewed; and (v) track your entries, submissions, and status in any promotions or other activities offered through our website and the services provided via our website. Tracking technology also helps us manage and improve the usability of our website, (i) detecting whether there has been any contact between your computer and us in the past and (ii) to identify the most popular sections of our website. Because an industry-standard Do-Not-Track protocol is not yet established, our website will continue to operate as described in this Privacy Policy and will not be affected by any Do-Not-Track signals from any browser.