

Form ADV Part 2A Brochure

OneDigital Investment Advisors, LLC (Wealth Management Division)

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This Brochure provides information about the qualifications and business practices of OneDigital Investment Advisors, LLC, d/b/a “OneDigital Investment Advisors” (“OneDigital”). If you have any questions about the contents of this Brochure, please contact us at 877-742-2021. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority.

OneDigital is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

When a registered investment adviser provides investment advisory services, it is a fiduciary under the Investment Advisers Act of 1940 and has a duty to act in its clients’ best interest and to make full and fair disclosure to its clients of all material facts and conflicts of interest. The purpose of this Part 2A Brochure and individual Part 2B Brochure Supplements is to disclose those material facts and conflicts of interest.

Additional information about OneDigital is also available via the SEC’s website: www.advisorinfo.sec.gov.

Item 2 – Material Changes

This Brochure, dated March 29, 2022, represents the annual update to the firm’s brochure.

OneDigital’s assets under management grew significantly in 2021, primarily as a result of the acquisition of the books of business from a number of previously independent investment adviser representatives. OneDigital will continue to purchase additional books of business in 2022.

On January 1, 2022, OneDigital purchased the assets of HM Capital Management, LLC (“HMCM”). Although HMCM operated its own SEC-registered investment adviser, OneDigital did not assume control of that entity. It did, however, acquire the rights to a private fund, Palm Tree Partners, LP (“Palm Tree”), of which HMCM previously served as general partner (“GP”) and investment manager. OneDigital hired Alta Trust, d/b/a “Palm Tree Partners GP, LLC,” to serve as Palm Tree’s new GP and assumed the position of the fund’s investment manager. At this time, OneDigital does not intend to offer its existing clients the ability to participate in Palm Tree.

Later this year, OneDigital will be establishing a new and separate investment adviser, OneDigital Asset Management, LLC (“OD Asset Management”), which will be used for two distinct purposes. Specifically, OD Asset Management will serve as the manager of certain investment models OneDigital will use in connection with its wealth management clients. Managing those models through a separate investment adviser will enable OD Asset Management to more easily calculate and report their performance. Therefore, OneDigital will enter into a sub-advisory agreement with OD Asset Management, which will in turn, enter into similar agreements with third party asset managers that will assist in the creation of these investment models. These new investment models will enable OneDigital to offer clients the ability to access separate tactical, tax efficient, and/or ESG strategies within the same risk-based categories.

In addition, OD Asset Management will assume responsibility for OneDigital’s “Personalized Portfolios” program, which offers investment management services to retirement plan participants. The purpose of transferring that program to OD Asset Management is to create a separate expense item for OneDigital’s retirement plan sponsor clients to list on their Form 5500 filings.

Pursuant to SEC Rules, OneDigital will deliver a summary of any materials changes to this and subsequent Brochures to you within 120 days of the close of our fiscal year, as well as providing notices of material changes as necessary. All such information will be provided to you free of charge.

OneDigital's Brochure may be requested by contacting 877-742-2021. Additional information about OneDigital is also available via the SEC's web site www.advisorinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with OneDigital who are registered as investment adviser representatives of the firm.

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Item 4 – Advisory Business

OneDigital is registered as an investment adviser with the United States Securities and Exchange Commission (CRD # 106766). OneDigital was organized as a corporation under the laws of the State of Missouri in 1987 and was converted to a limited liability company in 2018. Pursuant to a Unit Purchase Agreement dated January 21, 2020, OneDigital is now a wholly owned subsidiary of Digital Insurance, LLC.

OneDigital provides investment advisory, investment management, and financial planning services to individual and institutional clients. OneDigital also provides investment advisory and management services to retirement plan clients, and those services are outlined in a separate brochure specifically tailored to the Retirement Plan Division.

Although some clients use OneDigital solely for investment advice, most clients rely upon the firm to actively manage their accounts for them. When OneDigital manages clients' accounts on a discretionary basis, it has the authority to make trades within those accounts without clients' prior consent. However, the firm's investment management services are tailored to the individual needs of each client. That process usually begins by conducting an initial meeting with clients to determine their personal goals regarding each account and conducting a risk assessment profile to determine how much investment risk the clients are willing to incur. Based upon those considerations, clients will generally be categorized into an appropriate investment strategy.

Clients can impose specific restrictions on investing in certain securities or types of securities in their investment management agreement and are reminded to notify the firm of any new restrictions on a quarterly basis. In addition, OneDigital's investment adviser representatives typically attempt to hold investment review sessions with clients to discuss any adjustments clients desire to make to the investments in their accounts.

In 2018, OneDigital partnered with Charles Schwab & Co, Inc. ("Schwab") to offer a "robo" advisory platform. The purpose of this platform was to provide clients – especially those with smaller account balances – a cost efficient method of obtaining professional management of their investments. The platform provides for online enrollment but does not include annual face-to-face meetings with one of OneDigital's investment adviser representatives. Instead, OneDigital creates and manages the allocation models offered to participants in the robo advisory platform. In addition, OneDigital asks enrollees in the platform if they want to impose specific restrictions on investing in certain securities or types of securities and are reminded to notify the firm of any new restrictions on a quarterly basis. However, because the robo advisory platform is managed entirely through investment allocation models, those

participants who request such restrictions are required to transfer their account to OneDigital's traditional investment management platform, which will allow for that type of customization but will usually result in higher advisory fees.

Some of OneDigital's investment adviser representatives utilize turnkey asset management programs ("TAMPs") to allocate either all or certain segments of their clients' investments. In most cases in which a TAMP is used, OneDigital has discretion to determine which TAMP and/or which strategy will be used to manage the client's investment, including discretion to change those selections at any time. As a result, these client accounts are included in OneDigital's calculation of its regulatory assets under management ("RAUM").

As of December 31, 2021, OneDigital managed approximately \$101,681,539,206 in assets, of which approximately \$25,789,978,013 was managed on a discretionary basis and approximately \$75,891,561,193 was managed on a non-discretionary basis.

Item 5 – Fees and Compensation

OneDigital typically bases its annual advisory fee on a percentage of the total value of the assets in all of the accounts managed by OneDigital in a client's household. However, when OneDigital provides clients with specialized financial planning services it usually charges a separate flat dollar amount based upon the services to be provided and their complexity. However, OneDigital's investment adviser representatives can charge a flat dollar amount as a single, combined fee for asset management and specialized financial planning services.

OneDigital does not utilize a uniform fee schedule. Much of OneDigital's growth in recent years has resulted from independent firms from around the country either partnering with OneDigital to receive compliance, investment management, and practice management assistance or being acquired. When those firms move their client accounts to OneDigital, they have already established an agreement with those clients regarding the appropriate price of their investment services, which is the primary reason OneDigital does not dictate a set fee schedule for all clients.

Therefore, the firm's investment adviser representatives have the flexibility to establish a fee schedule for each client based upon the total assets contained in the client's accounts, the types of investments held in the accounts, and the amount of time the representative believes he or she will need to spend in managing the accounts, so long as it does not exceed 2.00% of the assets under management. In addition, clients generally have the ability to negotiate the fee schedule that will be applied to their accounts. However, because OneDigital's robo

advisory accounts are managed pursuant to investment allocation models created and maintained by OneDigital's Investment Team, the robo platform has a standard annual fee of 1.00% of the assets contained in the client's account.

For almost all client accounts, OneDigital calculates the applicable fee for clients' accounts and forwards its calculations to the custodian. Because the advisory fee is based upon the assets in a client's account each pay period (an amount that will likely change from pay period to pay period), clients should understand the stated percentage is not intended to represent an annualized fee applicable to the average total of assets within the accounts during a calendar year. Instead, the stated fee, divided by the number of pay periods in a year, represents the percentage that will be deducted from the client's account each pay period. OneDigital can combine multiple accounts from within a household for purposes of determining the applicable breakpoints if a tiered fee schedule is used. In addition, the fee stated in the client's agreement can also include a cost of living adjustment – although that is currently rarely used.

For accounts held at Schwab and Fidelity, OneDigital will typically collect its advisory fee in advance of the quarter in which the investment advice is given. For new accounts held with those custodians, OneDigital will usually pro-rate the first quarterly fee based upon the date the client's assets are transferred to the custodian. However, in certain circumstances, OneDigital will pro-rate the first quarterly fee based upon the value of the client's assets at the time OneDigital's management agreement became effective. If the advisory fee had been collected in advance and the agreement is terminated in the middle of a calendar quarter, any unearned fees paid in advance will be refunded to the client on a pro-rata basis. For accounts custodied at TD Ameritrade, the advisory fee is usually collected in arrears each month. All of these provisions will be specified in the client's investment management agreement with OneDigital.

As noted in OneDigital's investment advisory or management agreements, OneDigital's advisory fee does not include any applicable taxes; confirmation fees for trades; custodial fees; brokerage commissions; transaction fees; charges imposed directly by a mutual fund, index fund, or exchange traded fund (as disclosed on the fund's prospectus); fees imposed by variable annuity providers (as disclosed in the annuity contract); certain deferred sales charges; odd-lot differentials; transfer taxes; wire transfer and electronic fund fees, as well as other fees imposed upon brokerage accounts and securities transactions.

Clients' accounts can be managed by OneDigital's Investment Team, OneDigital's investment adviser representative, or a TAMP, including but not limited to OneDigital Asset Management. If the account is managed by an investment adviser representative, OneDigital will require the account to be enrolled in account management service (Orion) so it can monitor the account and calculate the advisory fee. OneDigital will also require the adviser representative to cover

the cost of that service. However, the adviser representative can choose to pass along all, or a portion, of that fee to the client. In that event, this additional fee will be designated on the client's investment management agreement. If the account is managed by OneDigital's Investment Team, it will reduce the percentage of the advisory fee paid to the investment adviser representative and use those additional funds to cover the cost of the account management service – with the exception of accounts on OneDigital's "robo" advisory platform, which are charged an annual administrative fee to cover the costs of the account management service.

As noted above, OneDigital is establishing OneDigital Asset Management as a separate registered investment adviser to manage some of its investment models. In those situations, OneDigital Asset Management will act as a sub-adviser for OneDigital. Clients utilizing OneDigital Asset Management's models will not be required to enter into a separate agreement with it or any of the TAMPs it uses to assist it in managing the models. Similarly, clients will not be required to pay an additional management fee to OneDigital Asset Management or any TAMP it uses, as those costs will be included in OneDigital's fee.

If the investment adviser representative utilizes another TAMP to manage all or any part of the client's account, the client may be required to enter into a separate agreement with the TAMP. If the TAMP agreement governs the terms under which the advisory fee will be collected, OneDigital's investment management agreement will only specify the fee it will collect from the TAMP. Specifically, if the TAMP collects a unified fee, it will forward the fee specified on OneDigital's investment management agreement with the client to OneDigital. Alternatively, OneDigital can collect the advisory fee and forward a portion to the TAMP, or the parties can charge separate management fees.

OneDigital or its representatives act as a solicitor for certain TAMPs. In those instances, the TAMP forwards a portion of the advisory fee it collects to the firm and/or its adviser representative as a solicitor's fee. This creates an incentive for OneDigital's investment adviser representatives to recommend clients retain certain TAMPs based on the receipt of the solicitor's fee, which is a conflict of interest. However, if OneDigital or its representative is acting as a solicitor for another investment adviser, OneDigital will not charge an advisory fee and the client will be provided with a solicitor's disclosure statement detailing the arrangement. Conversely, OneDigital utilizes third parties as solicitors and pay them a portion of the advisory fee OneDigital collects as compensation for the referral.

As also noted above, OneDigital acquired the rights to Palm Tree, which is a private fund. In addition to the fee it collects as the fund's investment manager, OneDigital is also entitled to a performance fee of twenty percent (20%) of annual investment gains in the fund. This is the

only time OneDigital collects a performance fee for its services and participation in Palm Tree is limited to accredited investors. OneDigital does not intend to market participation in Palm Tree to its other, existing accredited clients at this time.

Some of OneDigital's investment adviser representatives are also registered as representatives of Triad Advisors, LLC ("Triad") a securities broker-dealer (member FINRA/SIPC). As a result, these representatives can offer investment products and insurance company annuities for which they would be entitled to a sales commission, which creates a conflict of interest. However, Triad does not take custody of OneDigital's investment advisory accounts and, therefore, neither Triad nor OneDigital's investment adviser representatives collect any of the sales commissions (12b-1 fees or sub-TA fees) offered by mutual fund companies utilized in OneDigital's client accounts. While OneDigital does not receive sales commissions from the products it uses in client accounts, it may utilize products that include sales loads when the investment adviser representative deems the share class to be the most appropriate one for the client's situation. In most cases though, OneDigital's investment adviser representatives utilize "no load" mutual funds or exchange traded funds, which do not offer sales commissions, when available to advisory clients.

In the event one of OneDigital's investment adviser representatives previously earned a commission on a product that is transferred into an account governed by an investment management agreement, OneDigital will – depending on the length of time between the initial sale of the product and its conversion to an advisory account - delay charging an advisory fee as an offset of the compensation it already received. If an investment adviser representative recommends the purchase of an investment product or annuity in an account that is not governed by an investment management agreement, the client should understand: 1) those services are not offered through OneDigital and it is not responsible for these recommendations; 2) those products can be purchased through a broker or agent that is not affiliated with OneDigital; and 3) OneDigital's clients are under no obligation to accept and act upon its investment adviser representatives' recommendations regarding such products.

OneDigital also provides financial planning services. Although related, these services are separate from the firm's investment management services. Depending upon the level of services provided, these services will either be included in the advisory fee or subject to a separate fee, which is usually based upon an hourly rate or flat fee. Either way, those fees will be listed in the client's agreement(s) with OneDigital, which will be responsible for any financial planning services offered by its investment adviser representatives.

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

As noted above, OneDigital collects a performance-based fee of twenty percent (20%) of the

capital appreciation in client accounts invested in Palm Tree, which is a private fund compromised solely of accredited investors. Clients invested in Palm Tree should understand OneDigital does not collect this type of performance-based fee in any of its other client accounts, including accounts the Palm Tree investors hold outside of that private fund. Because this performance-based fee could result in additional compensation to it, OneDigital has a financial interest in recommending the fund to its clients. However, OneDigital does not currently intend to recommend that any of its existing clients invest in Palm Tree and those that currently do should recognize they have the right to pull their funds out of Palm Tree and invest them through OneDigital's standard investment services, which do not include a performance fee, or through another investment adviser.

Item 7 - Types of Clients

OneDigital offers portfolio management and advisory services to individuals, trusts, estates, endowments, foundations, charitable organizations, retirement plans, and business entities.

OneDigital has established a "robo" advisory platform in partnership with Schwab to provide online account opening services and standardized investment allocation models. This platform offers fewer benefits to clients than OneDigital's traditional platform. Specifically, clients are not permitted to impose restrictions on OneDigital's management of their investments and the services do not include face-to-face meetings with one of OneDigital's investment adviser representatives. For this reason, the robo platform is generally intended for accounts under \$250,000, but accounts must initially contain at least \$5,000 to be eligible. However, there is no requirement that investment adviser representatives utilize the robo platform for any particular client. In fact, those clients that want to impose restrictions on OneDigital's ability to manage the investments in their account - no matter how small their accounts may be - are illegible to participate in the robo platform.

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

OneDigital's investment advisers typically utilize risk questionnaires to determine clients' level of risk tolerance. For clients utilizing OneDigital's traditional platform, the results of the risk questionnaire can be supplemented with discussions with the client to determine the appropriate investment allocation strategy. By contrast, clients utilizing OneDigital's "robo" advisory platform will automatically be placed in the investment allocation model that corresponds to the results of their online risk questionnaire.

OneDigital's investment adviser representatives will attempt to meet (or communicate via phone or video) with clients on OneDigital's traditional platform at least annually to determine

whether there have been any significant changes in their financial condition. If at any time the investment adviser representative believes there has also been a significant change in the client's risk tolerance, the client can be asked to complete a new risk questionnaire. By contrast, OneDigital's investment adviser representatives will generally not meet or communicate with clients on OneDigital's "robo" advisory platform after their account is established. Instead, OneDigital will email clients annually to ask if there have been any significant changes in their financial condition or risk tolerance.

The investment strategy utilized by OneDigital's Portfolio Management Team and most of its investment adviser representatives is consistent with the tenets of Modern Portfolio Theory and is intended to reduce risk and volatility by building globally diversified portfolios. To implement this strategy, OneDigital traditionally recommended the use of no-load mutual funds, exchange traded funds (ETF's), government securities, individual stocks and bonds, and other types of securities. However, OneDigital will begin to utilize investment models managed through OneDigital Asset Management in coordination with outside TAMPs. In addition, some of OneDigital's investment adviser representatives utilize other TAMPs to manage all or certain market segments to build a diversified portfolio.

OneDigital's Investment Team manages client accounts through a series of investment allocation models. These models range from Aggressive to Conservative based upon the allocation between equities and debt securities. For example, the Aggressive Model is benchmarked against an index in which 80% of the assets are invested in equities and 20% are invested in debt securities. However, that does not mean clients invested in OneDigital's Aggressive Model will always be maintained in an 80-20 ratio. Instead, OneDigital's Investment Team will adjust those ratios based upon their interpretation of current market conditions. In addition, OneDigital's Investment Team can adjust the models to respond to restrictions imposed by individual clients, such as requests not to sell certain investments already contained in the client's portfolio. With the new investment models being managed through OneDigital Asset Management, OneDigital can further diversify and customize clients' accounts through the use of core, tactical, tax efficient, and ESG variations of each selected risk profile.

Many of OneDigital's client accounts also include directly held stocks. For example, OneDigital will typically leave highly appreciated legacy holdings in a client's account to avoid triggering capital gains taxes. In addition, OneDigital frequently buys and sells directly held stocks in its clients' accounts.

For clients utilizing OneDigital's "robo" advisory platform, OneDigital's Portfolio Management Team will develop and maintain a series of investment allocation models that are similar (but not necessarily the same) as those used for clients on OneDigital's traditional platforms.

Several of OneDigital’s investment adviser representatives utilize alternative investment strategies. This includes a deep value commodities strategy, which seeks to generate higher returns by investing in certain commodities (gold, silver, coal, etc.) that have low price to equity ratios (“PE ratios”). Clients whose accounts utilize these strategies need to understand their allocations are not consistent with the tenets of Modern Portfolio Theory in that their investments are not diversified over a broad spectrum of industries and it is very difficult to accurately predict the direction of market prices – especially in the short term. As a result, while these strategies could result in greater investment gains or offset market downturns, there is no guarantee they will work as planned and these strategies are inherently riskier than a strategy that is consistent with the tenets of Modern Portfolio Theory.

As noted, OneDigital recently acquired the rights to Palm Tree, a private fund that has been in operation for several years. Palm Tree’s assets had previously been managed by HMCM in coordination with outside TAMPs. OneDigital is in the process of evaluating the best method for managing the fund’s assets going forward, which will likely include the continued use of outside TAMPs.

Item 9 – Disciplinary Information

OneDigital and its “management persons” are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management, such as criminal convictions or violations of securities laws. (A “management person” is generally defined as any of the firm’s principal executive officers and members of the firm’s investment committee.) Neither OneDigital nor any of its executive officers and investment committee members are currently subject to, or have ever been subject to, any material events resulting from legal or disciplinary action. The investment adviser representatives working on a client’s account are also required to disclose any such events in their biographies, which are provided to clients in a separate document (ADV Part 2B).

Item 10 – Other Financial Industry Activities and Affiliations

OneDigital employs some of its investment adviser representatives, while others are employed by, or acting as independent contractors for, independent financial services firms that operate under their own brand name. Because those independent financial services firms are not licensed investment advisers, their employees and independent contractors register through OneDigital to provide their investment advisory services. However, regardless as to

whether they are acting as employees or independent contractors, OneDigital is statutorily responsible for supervising the investment advisory activities of its investment adviser representatives and is directly liable to its clients for the advice they provide.

Some of OneDigital's investment adviser representatives are registered representatives of Triad and, in that capacity, can recommend securities for individuals or entities who are also clients of OneDigital. In that event, Triad will typically pay these individuals a portion of the brokerage commissions received for products they sell, which creates a conflict of interest. However, OneDigital's investment adviser representatives are not permitted to collect commissions on investment products purchased within the client's investment advisory account. In addition, clients are free to choose not to implement the representative's recommendation or to purchase these products from another registered representative or broker-dealer.

OneDigital is now also licensed as an insurance agency and some of its investment adviser representatives are licensed insurance agents. In that capacity, those investment adviser representatives could recommend insurance transactions, such as fixed, variable, or group annuities, for individuals or entities who are also clients of OneDigital. The recommendation by OneDigital's investment adviser representatives regarding the purchase of a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions will provide an incentive to recommend investment products based on commissions received. No client is under any obligation to purchase any commission products from OneDigital's investment adviser representatives. Clients are reminded that they can purchase insurance products recommended by one of OneDigital's investment adviser representatives through other, non-affiliated broker dealers or insurance agents.

OneDigital has relationships with entities that have agreed to provide referrals of potential clients for compensation, which creates a conflict of interest. This includes employees of OneDigital's parent company, Digital Insurance, LLC, who may already provide employee benefits, insurance, and/or human resources counseling services to the plan sponsors they refer to OneDigital. Before OneDigital will pay a referral fee to any such entity or individual, it will enter into a solicitor's agreement and require the solicitor to provide each prospective client with a solicitor's disclosure form, which details the arrangement, including the fee the solicitor will receive.

OneDigital's parent company has entered into a contract with Synergi Partners to offer its employer clients with assistance in obtaining Employee Retention Credits under the federal CARES Act. OneDigital's parent and its employees receive a portion of the fees paid by clients referred to Synergi Partners for those services. As a result, even though these services do not involve the provision of investment advice, OneDigital and its employees have a financial

incentive to recommend those services to their clients, and those clients are reminded they have the right to decline those services or obtain them from other companies.

Item 11 – Code of Ethics

Code of Ethics

In compliance with Rule 204A-1 of the Investment Advisors Act, OneDigital has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Code of Ethics describes the firm's fiduciary duties and responsibilities to clients by requiring compliance with applicable securities laws, including those that protect the confidentiality of client information, require the reporting of personal securities transactions, and prohibit trading on insider information. Each of OneDigital's "access persons" is required to acknowledge receipt of the firm's Code of Ethics within ten (10) business days of joining the firm. In addition, each access person is required to annually acknowledge that their continued employment is contingent upon their compliance with its terms. OneDigital will provide a complete copy of its Code of Ethics to any client upon request.

Trading Conflicts of Interest

OneDigital's access persons are permitted to buy or sell securities for their personal accounts that are identical to transactions recommended to clients. However, in order to address potential conflicts of interest, OneDigital prohibits its access persons from trading a security in their personal accounts, if they reasonably believe the security will be purchased or sold in a client's account, until the completion of all anticipated trading in that security for client accounts has occurred for that day. This prohibition only extends to transactions initiated by the access person, though, and does not apply to block trades or in accounts managed pursuant to the investment allocation models maintained by OneDigital's Portfolio Management Team (in which case transactions in the access person's account are conducted on the same basis as other accounts) or accounts managed by a turnkey asset management program.

For this reason, OneDigital requires its access persons to disclose their holdings of "reportable securities" annually and transactions in such securities each quarter. ("Reportable securities" do not include shares of mutual funds or government-issued securities.) Those reports are then reviewed by OneDigital's Compliance Department to ensure its access persons are not engaging in "front-running" or other prohibited acts which put their interests ahead of those of its clients. OneDigital also requires its access persons to obtain prior approval from its Chief Compliance Officer before investing in any limited investment opportunities (i.e., initial public offerings or shares in a thinly traded security) so

they do not appropriate a trading opportunity that should rightfully belong to OneDigital's clients. Finally, before an access person can invest in a publicly held company that is a retirement plan client of OneDigital, the access person must confirm that any trading decision is not based upon nonpublic, insider information.

Item 12 – Brokerage Practices

OneDigital does not maintain physical custody of any client accounts or any assets within them. Instead, clients are required to deposit assets at a broker-dealer, investment company, or another financial institution that meets the definition of a “qualified custodian” under Rule 206(4)-2(c)(3) of the Investment Advisors Act. As a result, clients are required to complete all documentation required by the applicable custodian for each account, including the appropriate new account documentation, if necessary. While OneDigital does not open custodial accounts for its clients, it assists them in doing so.

In the event a broker-dealer is selected as the custodian of the client's account, OneDigital will process all trades in the account through that custodian. While clients generally designate the custodian of their accounts on the investment advisory or management agreement, OneDigital seeks to limit the custodians which hold its individual client's assets due to the complexity associated with managing accounts on multiple custodial platforms. At this time, Schwab, TD Ameritrade, and Fidelity (“Custodial Partners”) serve as custodians of its individual clients' investment management accounts – unless the accounts are managed by TAMP, in which case it usually requires the funds to be held with a particular custodian. OneDigital recommends the Custodial Partners to its clients based upon the quality and types of services they offer, the ability to link client accounts held at the Custodial Partners to OneDigital's client management system (Orion), their overall capability, execution quality, competitiveness of transaction costs, the investment research they make available to OneDigital and its clients, and their reputation and financial stability, among other things.

By contrast, foundation and endowment accounts often have an established relationship with a custodian that is not one of the Custodial Partners. In that event, OneDigital is often unable to link those accounts directly into Orion. While this creates difficulties for OneDigital in monitoring those accounts, it is reluctant to require them to move their accounts to a Custodial Partners due to the hardship it would create for the foundation or endowment. In those cases, OneDigital establishes alternate means of monitoring these accounts.

Because some employees of OneDigital are registered as representatives of Triad, it has a duty to oversee certain aspects of our investment advisory activities. OneDigital pays Triad an oversight fee for certain types of investment advisory accounts. However, Triad will waive the oversight fee for any of OneDigital's investment advisory services custodied at National

Financial Services (“NFS”), with whom it has an arrangement. This would create a conflict of interest by providing a financial incentive for OneDigital to custody client accounts at NFS. However, OneDigital has generally not utilized NFS as custodian for its client accounts. Instead, almost all of OneDigital’s client accounts are custodied with one of the Custodial Partners.

Clients should understand the Custodial Partners provide products and services to OneDigital, including the following:

Services that Benefit Clients. The Custodial Partners’ brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products offered through the Custodial Partners could include some to which clients might not otherwise have access or that would require a significantly higher minimum initial investment. In addition, when independent firms affiliate with OneDigital and recommend their clients transfer their accounts to a Custodial Partner, that Custodial Partner will often offer transition assistance to OneDigital which is typically used, in part, to cover the account termination fees charged by the clients’ incumbent custodian. In addition, the Custodial Partners provide free trading during the transition period so clients do not incur trading costs in establishing their accounts. The Custodial Partners also occasionally provide free trading days to enable OneDigital to make adjustments to its investment allocation models, which saves clients’ money.

Services that Do Not Directly Benefit Clients. The Custodial Partners also make available other products and services that benefit OneDigital but do not generally benefit clients’ accounts directly. These products and services that assist OneDigital in managing and administering its client accounts, such as investment research, which OneDigital can use to service all or some substantial number of its client accounts, including accounts not maintained at the Custodial Partner who is providing the research. In addition to investment research, the Custodial Partners also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients’ accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only OneDigital. The Custodial Partners also offer other services intended to help OneDigital manage and further develop its business enterprise. These services include:

- travel expenses for OneDigital's investment adviser representatives and/or staff to attend educational conferences and events or to serve as members of the Custodial Partner's advisory committee;
- sponsorship of OneDigital's conferences and client marketing events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Custodial Partners can provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to OneDigital. These Custodial Partners also provide OneDigital's staff and investment adviser representatives with other benefits such as occasional meals or business entertainment.

OneDigital's receipt of these benefits creates a conflict of interest because they relieve the firm from paying for these items or producing them itself. As result, the receipt of these benefits makes it more likely OneDigital will recommend these companies as the custodian for its clients' accounts. However, OneDigital believes its recommendation of these companies to serve as the custodians and brokers on its clients' accounts is in the best interests of its clients, based upon the scope, quality, and price of their services that benefit them, as opposed to the services that only benefit it.

Item 13 – Review of Accounts

OneDigital's Investment Team and its investment adviser representatives monitor market conditions on a daily basis. In addition, OneDigital's Investment Committee meets periodically to discuss potential changes to its investment strategies based upon changes to world, economic, and market conditions.

As part of the initial negotiation of a client's management agreement, the investment adviser representative and the client will discuss how frequently the parties will meet to conduct a formal investment review the accounts. Those meetings generally take place on an annual, semi-annual or quarterly basis, depending upon the size of the account and the client's time commitment to participate in such reviews. Additional client reviews can be triggered by a specific client request or by a change in market or economic conditions. However, as noted

above, OneDigital's investment adviser representatives generally do not meet with clients participating in OneDigital's "robo" advisory platform. While the investment adviser representatives will periodically review the performance of their clients' investments, clients are advised that it remains their responsibility to notify their adviser of any changes in their investment factors, including their investment objectives, financial situation, or family and work situations.

Item 14 – Client Referrals and Other Compensation

As noted in Item 12, above, OneDigital receives economic benefits from the custodians of its customers' accounts in the form of the support, products, and services. However, these offers of products and services are not based on the willingness of OneDigital or its investment adviser representatives to provide any particular investment advice to their clients, such as recommendations to purchase any particular securities products.

OneDigital and its investment adviser representatives receive direct or indirect compensation from other third parties, such as companies that offer investment products. This compensation includes payments for OneDigital's investment adviser representatives and/or other associated persons to attend educational and marketing seminars, gifts valued at less than \$100 annually, an occasional meal, or ticket to a sporting event. In addition, OneDigital maintains a Strategic Partners Program, pursuant to which certain investment product and service providers provide funds that are used to sponsor educational seminars and/or client marketing events conducted by OneDigital. While this creates a conflict of interest, the program does not require OneDigital to favor the Strategic Partners over firms that do not participate in the program when recommending or selecting any products or services. In addition, OneDigital maintains records of all such payments, and those records are available for inspection at a client's request.

As referenced above, OneDigital sometimes pays individuals or entities to refer clients to it. This includes referrals from employees of OneDigital's parent company, Digital Insurance, LLC and its other subsidiaries. However, these solicitor agreements are structured to comply with applicable securities laws, which include the existence of a formal contract between OneDigital and the solicitor. Pursuant to that contract, the solicitor is required to provide each potential client with a disclosure statement that describes the specific relationship between OneDigital and the solicitor – including the compensation that will be paid to the solicitor - prior to or at the time the client enters into an investment advisory or management agreement.

OneDigital's investment adviser representatives are compensated based on a percentage of the investment advisory fees they generate. Investment adviser representatives who are merely affiliated with OneDigital as independent contractors receive a higher percentage than those who are employed by OneDigital, given that OneDigital purchased the employed representatives' accounts and will provide them with an array of employee benefits. In addition to the initial payment for the purchase of their accounts, some employed investment advisers also are eligible to receive an "earnout" payment – which can be substantial - if their fees increase over a set period of time (generally three years). While those earnout payments are intended to encourage employed investment adviser representatives to add new clients, existing clients should understand it also creates an incentive for the employed representatives to offer new services or increase their fees.

Item 15 – Custody

OneDigital requires clients to designate an unaffiliated "qualified custodian" to hold the assets in their accounts. Although OneDigital does not hold these assets, it is deemed by statute to have a form of custody if it calculates the applicable advisory fee and has authority to instruct the custodian to deduct the fee from the client's account and remit it to OneDigital – as OneDigital does with accounts custodied with the Custodial Partners.

OneDigital's investment management agreement also includes a limited power of attorney to permit us to make securities trades and other transactions on our clients' behalf. However, that limited power of attorney will not give OneDigital the authority to transfer funds out of the client's account. Similarly, the agreements clients sign with the Custodial Partners grant OneDigital the authority to undertake certain actions in their accounts on a discretionary basis. However, the authority granted in those agreements does not provide OneDigital with the ability to transfer funds out of the client's account to a third party without the client's prior permission.

Clients will receive account statements directly from the account's custodian not less frequently than each calendar quarter, which will detail all activity and list any fee deductions noted above. These reports will be sent to the email or postal mailing address provided by the client, and they should carefully review those account statements to ensure they accurately reflect the assets that should be in the account.

Employees of HMCM, a recent affiliate of OneDigital, provide "family offices services" that include bill paying services. Because this service necessarily requires those employees to transfer funds out of the clients' accounts, they are deemed to have custody of the clients' funds. HMCM has acknowledged its custody of client assets and has obtained annual

independent audits to review those activities in the past in compliance with applicable regulations. It is likely that OneDigital will acquire other firms who provide these types of services. However, OneDigital is in the process of contracting with a vendor(s) to outsource these services. The resolution of that process will determine whether OneDigital will assume custody of client accounts and, if it does, it will obtain an annual independent audit.

Item 16 – Investment Discretion

For most client accounts, OneDigital has discretionary authority to manage the investments within the account. The investment management agreement provided to the client will include a limited power of attorney that outlines the specific authority OneDigital will have to initiate investment transactions in the client’s accounts.

Specifically, OneDigital will have the authority to:

- i. buy, sell, and trade securities (stocks, bonds, options, etc.);
- ii. place, withdraw, or change transaction orders or instructions with the account’s custodian;
- iii. instruct the custodian as to which cost basis formula to apply to each account; and
- iv. enter into securities repurchase and securities reverse repurchase transactions.

However, OneDigital manages each client’s account consistent with the client’s investment objectives, which are established at the opening of the account but are subject to change at any time at the client’s direction. In addition, clients can designate specific restrictions on the investments to be held in their accounts on the account management agreement and are reminded each calendar quarter to notify OneDigital of any changes they want to make to those restrictions.

Item 17 – Voting Client Securities

OneDigital will not accept authority vote on securities held in client accounts (i.e., proxy requests). In addition, it generally does not take any action or render advice with respect to the voting of proxies, unless it believes the advice is appropriate and necessary.

Item 18 – Financial Information

Registered investment advisors are required in some cases to provide certain financial information and or disclosures about financial condition. For example, if OneDigital required clients to prepay advisory fees six months or more in advance, had a financial condition that was reasonably likely to impair its ability to meet its contractual

commitments to its clients, or had been the subject of a bankruptcy petition during the past ten (10) years, it would be required to include certain financial information and make disclosures. However, none of these factors are applicable to OneDigital, so no such disclosures are necessary.