



Where Influencers Invest

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**Form ADV Part 2A**

**OnlyFunds Client Brochure**

**November 28th, 2025**

**Item 1 Cover Page**

This brochure (“Brochure”) provides information about the qualifications and business practices of Phillips Capital, LLC DBA OnlyFunds (“OnlyFunds”), an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration does not imply a certain level of skill or training but only indicates that OnlyFunds has registered its business with state and federal regulatory authorities, including the SEC. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this Brochure, please contact us [support@onlyfunds.com](mailto:support@onlyfunds.com). Additional information about OnlyFunds is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and on OnlyFunds website, [www.onlyfunds.com](http://www.onlyfunds.com) (the “Site”).

## **Item 2: Material Changes**

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Updated information related to additional custodians that have been added.

## Item 3: Table of Contents

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## Item 4: Advisory Business

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### A. General Description of the Company

OnlyFunds is an automated investment adviser registered with the SEC. OnlyFunds is the business name of Phillips Capital, LLC, a Delaware corporation. OnlyFunds provides clients with software-based investment advisory and portfolio management services through the OnlyFunds website and Betterment for Advisors Platform. This service is made available via brokerage accounts that all clients open at Betterment LLC (“Betterment”) or Interactive Brokers LLC (“IBKR”), a member of Financial Industry Regulatory Authority (“FINRA”). Betterment facilitates account opening, funding, trading, and client portals on behalf of and branded by OnlyFunds. OnlyFunds was created and registered in 2021, with the goal of helping clients participate in investing by providing soundly constructed portfolios tailored to their needs, with a particular focus on clients who would otherwise not engage in investment activities themselves. Neither OnlyFunds nor its affiliates are a bank. OnlyFunds is a privately held company headquartered in New York, NY. Additional information about OnlyFunds’ products, structure, and directors is provided on Part 1 of OnlyFunds’ Form ADV which is available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or at [www.onlyfunds.com](http://www.onlyfunds.com). We encourage visiting our website [www.onlyfunds.com](http://www.onlyfunds.com) for additional information.

### B. Summary of Investment Advisory Services

OnlyFunds offers an automated investment advisory service that makes it possible for anyone who enters into a OnlyFunds Advisory Client Agreement (the “Advisory Client Agreement”), to access investment advisory and portfolio management services. As provided in the Advisory Client Agreement, advisory clients (“Clients”) grant OnlyFunds discretionary authority to manage Client assets in accounts (“Client Accounts” or “Accounts”) opened and maintained at Betterment pursuant to the Betterment Customer Brokerage and Custody Agreement (the “Brokerage Agreement”) or IBKR pursuant to the Interactive brokers Brokerage and Custody Agreement, as applicable. OnlyFunds’ investment objective is to seek maximum long-term, risk-adjusted, net of fee returns in accordance with Modern Portfolio Theory (“MPT”).

OnlyFunds may make use of Betterment Advisory services as a software-based sub-advisor, and, pursuant to advisory agreements the client may sign with Betterment, may make use of algorithmic portfolio construction, rebalancing, and tax-loss-harvesting. OnlyFunds may make use of IBKR platform services as a software-based brokerage, and, pursuant to advisory agreements the client may sign with IBKR, may make use of algorithmic portfolio construction, rebalancing, and tax-loss-harvesting.

For taxable accounts, Betterment Advisers offers tax-loss harvesting (“TLH”) strategies. TLH is a technique designed to help lower your taxes while maintaining the expected risk and return profile of your portfolio. TLH harvests previously unrecognized investment losses to offset taxes due on your other gains and income by selling a security at a loss to accelerate the realization of capital loss and investing the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be

applied to lower your tax liability and the tax savings can be reinvested to grow the value of your portfolio. Betterment Advisers' basic TLH strategy harvests tax losses on a Client's ETFs by selling an ETF at a loss and replacing it with an alternative ETF that tracks a different, but highly correlated index to maintain the risk and return characteristics of the Client's portfolio.

Each individualized account is designed to be consistent with Clients' individual risk tolerances. OnlyFunds creates an investment plan and manages a Client's portfolio by seeking to identify: 1) the optimal asset classes in which to invest, 2) the most efficient exchange traded funds ("ETFs") or other investments to represent each of those asset classes, 3) the ideal mix of asset classes based on the Client's specific risk tolerance, and 4) the most appropriate time to rebalance the Client's portfolio to maintain intended risk tolerance and optimal return for the Client's risk level.

### **C. Risk-Assessment-based Investment Services**

OnlyFunds tailors its software-based investment advisory service or use of third-party software-based investment advisory services to the individual needs of each of its Clients, in accordance with certain investment options designated by Clients, and subject to certain account limitations that prospective investors should consider, as described further below and in Item 7. OnlyFunds utilizes questionnaires of client financial goals and situation determine their investment risk tolerance. OnlyFunds asks each prospective Client a series of questions to evaluate both the individual's objective capacity to take risk and subjective willingness to take risk. We ask subjective risk questions to determine both the level of risk an individual is willing to take and the consistency among the answers. For example, if an individual is willing to take a lot of risk in one case and very little in another, then the individual is deemed inconsistent and is therefore assigned a lower risk tolerance score than the simple weighted average of their answers. We ask objective questions to estimate with as few questions as possible whether the individual is likely to have enough money saved at retirement to afford their likely spending needs. The greater the excess income, the more risk the Client is able to take.

In order to implement OnlyFunds' continuous investment advice, OnlyFunds provides investment advisory and portfolio management services only on a fully discretionary basis. Given OnlyFunds has discretionary authority over client accounts, with the exception of changes in risk tolerances, withdrawals (including fee deductions), new funds, and rebalancing, execution of trades is kept to a minimum to ensure Clients are not charged unnecessary broker fees.

### **D. Wrap Fee Program**

OnlyFunds currently does not offer a wrap fee program. Through the use of Betterment Advisory, the client may participate in the wrap fee program offered by Betterment Advisory pursuant to a sub-advisory agreement the client may sign with Betterment. IBKR trading fees are charged to the Client.

## **E. Discretionary and Nondiscretionary Assets**

At the time of filing in November of 2021, OnlyFunds manages \$314,147.07 in assets through our software-based investment advisory service on a discretionary basis. OnlyFunds does not manage any Client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

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### **A. Advisory Fees**

OnlyFunds is compensated for its advisory services by charging an annual fee of no more than 1.5% on the net market value of a Client's Account. If a client has a sub-advisory relationship with Betterment Advisors, a portion of that fee may be paid to Betterment Advisors pursuant to the sub-advisory agreement between the client and Betterment Advisors and the agreement between OnlyFunds and Betterment Advisors. If the client has a custodial account at IBKR, fees may be charged by IBKR for trading within the account. OnlyFunds reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined solely by OnlyFunds. In addition, OnlyFunds may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients. In some cases, Clients can have a portion of their assets managed for free. Clients may be able to enter into contracts with competitor advisers which provide similar services of investment management for less than this fee. Annual fees are charged on a quarterly basis as explained below.

OnlyFunds' fees are not charged in advance and are calculated on a continuous basis and deducted from Clients' Accounts each quarter as follows: OnlyFunds calculates a daily advisory fee, which is equal to the fee rate multiplied by the net market value of the Client's Account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year). The advisory fee for a calendar month is equal to the total of the daily fees calculated during that month (less any deductions or fee waivers) and is deducted from Client Accounts no later than the tenth business day of the following month.

### **B. Other Account Fees**

In addition to the advisory fees, Clients may also pay other fees or expenses to third parties. The issuer of some of the securities or products we purchase for Clients, such as ETFs, may charge product fees that affect Clients. OnlyFunds does not charge these ETF fees to Clients, nor does it benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of an ETF may include management

fees, custodian fees, brokerage commissions, and legal and accounting fees. These fees and expenses are described in each Fund's prospectus, which are available in the "Portfolio" tab of the online interface and are embedded in the securities purchased on clients' behalf. These fees are generally composed of a management fee and other Fund expenses. ETF expenses may change from time to time at the sole discretion of the ETF issuer.

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

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OnlyFunds does not charge performance-based fees. Clients are only charged an annual advisory fee or trading fees as disclosed in Item 5 above.

## **Item 7 Types of Clients**

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OnlyFunds' clients include individuals, trusts, and other legal entities (subject to OnlyFunds' approval) who are U.S. residents and maintain a checking account with a U.S. bank.

There is no minimum balance required to open an account with OnlyFunds. As a result of the automation associated with offering its services online, OnlyFunds makes it possible for retail investors to access its service with much lower account minimums than normally available in the industry. Clients have access to their Accounts through the account portal. At any time, a Client may terminate an Account, withdraw all or part of an Account, or update their investment profile (i.e. risk score), which may initiate an adjustment in the Account's holdings. In that case, unless otherwise directed by the Client, OnlyFunds will sell the securities in the Client Account (or portion of the Account, in the case of a partial withdrawal or update) at market prices at or around the time of the termination, withdrawal, or update. See further items for a description of OnlyFunds' discretionary investment authority, including the timing of OnlyFunds' placement of Client trade orders.

While OnlyFunds seeks to respond to Client deposits, Client changes in risk profiles, Client withdrawal requests, including without limitation requests in connection with terminations, and other reasonable Client requests in a timely and reasonable manner, OnlyFunds does not represent or guarantee that OnlyFunds will respond to any such Client actions or requests immediately or in accordance with a set time schedule. Investors evaluating OnlyFunds' software-based investment advisory service should be aware that OnlyFunds' relationship with Clients is likely to be different from the "traditional" investment advisory relationship in several aspects:

1. OnlyFunds is a software-based investment adviser which means each Client must acknowledge their ability and willingness to conduct their relationship with OnlyFunds on an electronic basis. Under the terms of the Advisory Client Agreement and the Brokerage Agreement, each Client agrees to receive all Account information and Account documents (including this Brochure) and any updates or changes to same, through their access to the Site and OnlyFunds' electronic communications (some of which are provided through tools of Betterment' client portal). Unless noted otherwise on the Site or within this Brochure, OnlyFunds' investment advisory service, the signature for the Advisory Client Agreement and the Brokerage Agreement, and all

documentation related to the advisory services are managed electronically. OnlyFunds does not make individual representatives available to discuss servicing matters with Clients.

2. To provide its investment advisory services and tailor its investment decisions to each Client's specific needs, OnlyFunds collects information from each Client, including specific information about their investing profile such as financial situation, financial goals, and investment objectives. OnlyFunds maintains this information in strict confidence subject to its Privacy Policy, which is provided on the Site. When customizing its investment solutions, OnlyFunds relies upon the information received from a Client. Although OnlyFunds contacts its Clients periodically as described further below, a Client must promptly notify OnlyFunds of any change in their financial situation or investment objectives that might require a review or revision of their portfolio.
3. The software-based investment advisory service includes preselected ETFs for each asset class within the plan recommended to a Client. OnlyFunds does not allow Clients to select their own ETFs because each ETF and asset class is considered to be part of the overall investment plan.
4. Clients may not place orders to purchase or sell securities on a self-directed basis.

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

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### **A. Modern Portfolio Theory ("MPT")**

For its software-based investment advisory and portfolio management service, OnlyFunds provides Clients with investment advice that is based on MPT. MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. Historically, rigorous MPT-based financial advice has been available primarily through certain high-end financial advisors.

OnlyFunds' goal is to enable anyone to access the benefits of MPT and to reach out to potential clients who may not otherwise have been exposed to the concepts of MPT or sound portfolio construction.

Prior to the launch of software-based investment advisory services, it was not practical to offer rigorous and complete MPT to everyone because delivering a complete solution was too complex. Specifically, the number of calculations required to identify an optimized asset allocation, the ideal securities to represent each asset class, and an individual's true risk tolerance are beyond the scope of free, web-based tools. The job becomes even more difficult when considering the importance of periodically rebalancing a portfolio to maintain a desired risk level.

To employ MPT properly, one must start with an accurate determination of an individual's objective and subjective tolerance for risk. Achieving accuracy requires sophisticated software applied to more detailed questions than are typically asked by advisers. Based on this risk analysis, OnlyFunds seeks to create an individualized investment plan using the optimal asset classes in which to invest, the most efficient and inexpensive ETFs to represent each of those asset classes, and the ideal mix of asset classes based on the Client's specific risk tolerance.

OnlyFunds periodically reviews the entire population of more than 1,000 ETFs to identify the most appropriate ETFs to represent each asset class and utilizes model portfolios including these ETFs to



deliver the best solutions tailored to Clients' needs. We look for ETFs that minimize cost and tracking error and offer market liquidity. Many investors do not realize that ETFs do not exactly track the indexes they were created to mimic. Choosing an ETF with a low expense ratio that does not track the asset class recommended by our service runs the risk of sub-optimizing a Client's portfolio's performance. We choose ETFs that are expected to have sufficient liquidity to allow Client withdrawals at any time.

OnlyFunds continuously monitors our Clients' portfolios and periodically rebalances them back to the Clients' target mix in an effort to optimize returns for the intended level of risk. OnlyFunds may consider tax implications and the volatility associated with each of the chosen asset classes when deciding when and how to rebalance, however no assurance can be made by OnlyFunds that Clients will not incur capital gains, and in certain instances significant capital gains, when Client portfolios are rebalanced periodically. OnlyFunds assumes no responsibility to its Clients for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of Client Accounts.

## B. "Investing, not Trading" Philosophy

OnlyFunds adheres to a long-term, "buy-and-hold" investment philosophy. While OnlyFunds reserves the right to act otherwise if it feels that it is in the best interests of its Clients, OnlyFunds does not try to time the market and in general, OnlyFunds intentionally does not react to market movements in managing Client Accounts other than through rebalancing and tax-loss harvesting. OnlyFunds believes that numerous academic and industry studies show that attempting to time the market or pick specific winners leads to a changing and malleable investment thesis, hampering wealth-creation in the long term. Due to belief in the semi-strong form of the Efficient Markets Hypothesis, OnlyFunds provides the service of investment management through portfolio construction, not a service that will pick winning short-term trades.

## C. Risk Considerations

OnlyFunds cannot guarantee any level of performance or that any Client will avoid a loss of Account assets. Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear. When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective Client before retaining OnlyFunds' services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is in fact an occurrence.

**Market Risk** – The price of any security or the value of an entire asset class can decline for a variety of reasons outside of OnlyFunds' control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a

Client has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client Account to underperform relative to the overall market.

**Advisory Risk** – There is no guarantee that OnlyFunds’ judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. It is possible that Clients or OnlyFunds itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to OnlyFunds’ software-based investment advisory service. OnlyFunds and its representatives are not responsible to any Client for losses unless caused by OnlyFunds’ breach of its fiduciary duty.

**Software Risk** – OnlyFunds delivers its investment advisory services entirely through software. Consequently, OnlyFunds rigorously designs, develops and tests its software extensively before putting such software into production with actual Client Accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on the Site, mobile app, blogs or other OnlyFunds disclosure documents, especially in certain combinations of unusual circumstances. OnlyFunds continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed in conjunction with 3<sup>rd</sup> party providers of software.

**Volatility and Correlation Risk** – OnlyFunds’ Security selection process is based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client’s account and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

**Liquidity and Valuation Risk** – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because OnlyFunds’ executing broker-dealer may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While OnlyFunds values the securities held in Client Accounts based on reasonably available exchange traded security data, OnlyFunds may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a Client to OnlyFunds.

**Credit Risk** – OnlyFunds cannot control, and Clients are exposed to the risk that, financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker-dealer, notwithstanding asset segregation and insurance requirements that are beneficial to broker-dealer clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of Client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer’s securities held by a

Client. OnlyFunds seeks to limit credit risk by generally adhering to the purchase of ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products, which OnlyFunds generally does not invest in, may involve higher issuer credit risk because they are not structured as a registered fund.

**Legislative and Tax Risk** – Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser / financial advisor or securities trading regulation; change in the U.S. government’s guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). OnlyFunds does not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.

**Potentially High Levels of Trading Risk** – Certain situations, such as the simultaneous receipt of a high volume of Client deposits or withdrawal requests, can lead OnlyFunds to engage in high levels of trading. High levels of trading could result in (a) bid–ask spread expense; (b) trade executions that may occur at prices beyond the bid–ask spread (if quantity demanded exceeds quantity available at the bid or ask); (c) trading that may adversely move prices, such that subsequent transactions occur at worse prices; (d) trading that may disqualify some dividends from qualified dividend treatment; unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether; and (f) unforeseen trading errors.

**Foreign Investing and Emerging Markets Risk** – Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**ETF Risks, including Net Asset Valuations and Tracking Error** – ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by OnlyFunds plus any management fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include ETF management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

**Inflation, Currency, and Interest Rate Risks** – Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by OnlyFunds may be affected by the risk that currency devaluations affect Client purchasing power.

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## Item 9 Disciplinary Information

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At this time, neither OnlyFunds, any management persons, nor any employees have any disciplinary action from Self-Regulatory organizations or the SEC, misdemeanors involving investment-related businesses, or any felony.

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## Item 10 Other Financial Industry Activities and Affiliations

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Neither OnlyFunds, any management persons, nor relatable have any reportable other financial industry activities.

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## Item 11 Code of Ethics and Privacy Policy

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### A. Code of Ethics

OnlyFunds' paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its Clients. This means that OnlyFunds puts the interests of its Clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. OnlyFunds has adopted a Code of Ethics, which is designed to ensure that we meet our fiduciary obligation to Clients, enhance our culture of compliance within the firm, and detect and prevent any violations of securities laws.

OnlyFunds' Code of Ethics (the "Code") establishes standards of conduct for all OnlyFunds' employees, including all officers, directors, employees, certain contractors and others, and is consistent with the code of ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The

Code includes general requirements that all employees comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

Each new OnlyFunds' employee receives a copy of the Code when hired or engaged by OnlyFunds. OnlyFunds sends copies of any amendments to the Code to all supervised persons, who must acknowledge in writing having received the Code and the amendments. Annually or as otherwise required, each supervised person must confirm to OnlyFunds that they have complied with the Code during such preceding period.

OnlyFunds' employees may personally invest in securities recommended by OnlyFunds, specifically the ETFs recommended for each asset class and individual large and mid-capitalization stocks. OnlyFunds' employees may also buy or sell specific securities for their own accounts that are not purchased or sold ahead of Clients. OnlyFunds monitors the securities transactions of all employees to determine whether there have been any improper use of client trading information by employees. It also requires all employees to report any violations of the Code promptly to OnlyFunds' Chief Compliance Officer. The complete Code of Ethics is available to any client or prospective Client upon request.

## **B. Privacy Policy**

OnlyFunds is committed to protecting our clients' private information. OnlyFunds has instituted policies and procedures to reasonably ensure that customer information is kept private and secure. OnlyFunds does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law or agreed to by the client or as otherwise disclosed in OnlyFunds' Privacy Policy. In the course of servicing a client account, OnlyFunds may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys. OnlyFunds also maintains physical, electronic, and procedural safeguards to protect client information.

## **Item 12 Brokerage Practices**

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OnlyFunds places all trade orders for securities transactions on behalf of Client Accounts solely with Betterment or IBKR, with whom Clients must open brokerage accounts if they are to become OnlyFunds investment advisory clients. Betterment or IBKR will clear and settle all Client account trade order securities transactions with their preferred clearing firm. Clients may be responsible for securities transaction costs (e.g., commissions or SEC fees) for trades executed through Betterment or IBKR, or, if participating in a wrap fee program, will pay for those transactions through the wrap fee program.

Further, OnlyFunds does not receive any compensation from the Clients, Betterment, IBKR or third parties in connection with such transactions. OnlyFunds seeks to ensure that its Client accounts receive the best overall execution for securities transactions from Betterment or IBKR by continuing to monitor and review the best execution capability of Betterment or IBKR. OnlyFunds does not engage in any "soft

dollar” practices involving the receipt of research or other brokerage service in connection with Client transactions, nor does OnlyFunds compensate or otherwise reward any brokers for client referrals.

OnlyFunds intends to allocate all investment opportunities fairly among Clients and to ensure that no Client is favored over another. As such, when investing, divesting, or rebalancing brokerage accounts, the Betterment or IBKR platforms may place aggregated orders involving multiple Betterment or IBKR accounts trading in the same securities. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order. OnlyFunds or its affiliates do not charge separate fees for any trade execution or custody service provided to Clients.

### **Aggregation**

The aggregation of Client transactions allows the Advisers to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to Clients. Betterment or IBKR will only aggregate Client transactions where possible and when advantageous to all participating Clients. In these instances, Clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared on a pro-rata basis when applicable. Aggregation of orders will only occur where it is consistent with the duty to seek best execution and in line with each Client’s investment advisory agreement.

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## **Item 13 Review of Accounts**

OnlyFunds, through the Client portal, provides all Clients with continuous access via the Site where Clients can access their Account documents, such as account statements, and review their returns. Clients may also receive periodic e-mail communications describing portfolio performance, Account information, and product features.

OnlyFunds’ software-based investment advisory service assumes that a portfolio created using MPT-based techniques will not stay optimized over time and must be periodically rebalanced back to its original targets to maintain the intended risk level and asset allocations. OnlyFunds reviews each Client’s Account when it is opened and using third-party software, continuously monitors and periodically rebalances each Client’s portfolio to seek to maintain a Client’s targeted risk tolerance and optimal return for the Client’s risk level. OnlyFunds also conducts reviews when Clients make changes to their risk profiles.

OnlyFunds may consider tax implications and the volatility associated with each of the chosen asset classes when deciding when and how to rebalance, however no assurance can be made by OnlyFunds that Clients will not incur capital gains, and in certain instances significant capital gains, when Client portfolios are rebalanced periodically. OnlyFunds assumes no responsibility to its Clients for any tax consequences of any transaction, including any capital gains that may result from the rebalancing of Client Accounts.

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

OnlyFunds expects from time to time to run promotional campaigns to measure interest and to attract Clients to open Accounts on the Site. These promotions may include additional Account services or products offered on a limited basis to select Clients, different fee arrangement structures, which could include more favorable fee arrangements, reduced or waived advisory fees for Clients, and/or periodic, flat fees for certain advisory or account services, including programs in which Clients may invite friends, family and others to open an account with OnlyFunds.

Third party solicitors may also invite non-Clients to open an account with OnlyFunds. OnlyFunds currently has arrangements that compensate third party solicitors for referral of potential Clients by a flat fee per opened account or a percentage of advisory fees collected from referred Clients for a period of time. These arrangements may create an incentive for a third party or other existing Client to refer prospective Clients to OnlyFunds, even if the third party would otherwise not make the referral. These arrangements may also create a conflict of interest for a Client to maintain a certain level of assets managed through OnlyFunds if doing so would result in eligibility to receive an incentive, bonus or additional compensation.

OnlyFunds has certain arrangements in which it pays social media influencers and others who post advertisements for OnlyFunds a flat fee or flat fee per client responding to such advertisements who opens an account.

OnlyFunds makes all required efforts to ensure any conflicts of interest are disclosed to any potential Clients that see third party advertisements or are engaged in solicitation by third party solicitors.

## Item 15 Custody

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OnlyFunds makes use of Betterment or IBKR as the qualified custodian of Client funds. OnlyFunds does not have authority to write checks for client accounts nor will it accept any checks made directly to OnlyFunds from or on behalf of clients. OnlyFunds does not act in any way that would constitute ownership of or access to Client funds or securities. OnlyFunds does not collect prepayment of fees. OnlyFunds through the Advisory Client Agreement and sub-advisory agreements with Betterment is given authority to deduct fees directly from client accounts each quarter. Betterment Securities, LLC, or Interactive Brokers LLC acts as custodian, and makes all fee calculations, based on the Advisory Agreement. Therefore, OnlyFunds does not have custody of client funds in accordance with SEC rules.

## Item 16 Discretion

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OnlyFunds requires that a Client who decides to retain OnlyFunds as their investment adviser must complete and execute an Advisory Client Agreement. Under the terms of the Advisory Client Agreement, OnlyFunds assumes full discretionary trading and investment authority over the Client's assets in accounts held with Betterment or IBKR. This means that OnlyFunds is given full discretionary authority to select the timing, size, and identity of securities to buy and sell for the Client as well as enter into, amend or terminate contracts relating to the account.

A Client should understand that subject only to OnlyFunds' fiduciary duties, OnlyFunds' full discretionary trading and investment authority over the Client's assets held with Betterment or IBKR means that the timing, size, and identity of securities to buy and sell on behalf of the Client Accounts is completely

within OnlyFunds' discretionary authority, and while OnlyFunds seeks to respond to Client deposits, Client changes in risk profiles, Client withdrawal requests and other reasonable Client requests in a timely and reasonable manner, OnlyFunds does not represent or guarantee that OnlyFunds will respond to any such Client actions or requests immediately or in accordance with set time schedule. Further, OnlyFunds is not responsible to Client for any failures, delays and/or interruptions in the timely or proper execution of trades or any other trading instructions placed by OnlyFunds on behalf of Client through Betterment or IBKR due to any reason or no reason, including without limitation any or all of the following, which are likely to happen from time to time: (A) any kind of interruption of the services provided by Betterment IBKR or their clearing or executing broker-dealers or OnlyFunds' ability to communicate with Betterment IBKR or their clearing or executing broker-dealers (B) hardware or software malfunction, failure or unavailability; (C) OnlyFunds Brokerage system outages; (D) internet service failure or unavailability; (E) the actions of any governmental, judicial or regulatory body; and/or (F) force majeure.

## **Item 17 Voting Client Securities**

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For Betterment custodied clients: Pursuant to a sub-advisory agreement with Betterment, clients delegate to Betterment the authority to receive and vote all proxies and related materials for any security held in OnlyFunds accounts on the Betterment platform. Betterment maintains policies and procedures reasonably designed to mitigate conflicts of interest and reasonably ensure that proxy matters are conducted in the best interest of clients. Betterment will only vote on proxies and respond to corporate actions associated with securities. Betterment will abstain from voting on such proxies if it determines that abstaining is in the best interest of its clients. Clients may request information regarding how Betterment voted a client's proxies, and clients may request a copy of Betterment's proxy policies and procedures, which may be updated from time to time, by emailing support@betterment.com. Betterment Securities earns revenue from companies that issue proxies, for facilitating the processing and delivery of the proxies to Betterment's clients. The revenue earned by Betterment Securities is not contingent on whether or how proxies are voted by Betterment or its clients, 23 and the identity of funds and other securities that Betterment includes in client accounts is not influenced by these payments. Clients should not become or continue as a Client if they wish to vote such proxies.

For IBKR custodied clients: Pursuant to the Advisory Agreement, Client waives the right to vote shares and no shares will be voted.

## **Item 18 Financial Information**

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This Item is not applicable because OnlyFunds does not require or solicit the prepayment of any advisory fees and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.





Where Influencers Invest

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

## Form ADV Part 2B

### Client Brochure Supplement

April 25th, 2022

This Brochure Supplement provides information about certain OnlyFunds employees listed below that supplements the OnlyFunds Brochure you should have received above.

If you have any questions about the contents of this Brochure, please contact us [support@onlyfunds.com](mailto:support@onlyfunds.com). Additional information about OnlyFunds is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and on OnlyFunds website, [www.onlyfunds.com](http://www.onlyfunds.com).

**Brendan Phillips**, born 1996

Education:

BS in Industrial and Systems Engineering with a concentration in Economic and Financial Systems

Business Background:

Investment Engineer, Bridgewater Associates

Capital Markets Senior Manager, Better Mortgage

Directory of Product, Findings Inc

Present: Chief Executive Officer, Phillips Capital, LLC DBA OnlyFunds

Disciplinary Information: None

Other Compensation: Findings Inc