

**Financial Planning Navigators Corp.**  
**ADV Part 2A Appendix 1 of Form ADV:**  
**Wrap Fee Program Brochure**

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This wrap fee program brochure provides information about the qualifications and business practices of Financial Planning Navigators Corp. (hereinafter “FPN” or “Adviser” or “We”). If you have any questions about the contents of this brochure, please contact us at (763) 265-4450. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Financial Planning Navigators Corp. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: MATERIAL CHANGES

This is the first version of FPN's Wrap Fee Program Brochure ("Brochure"). As a result, there are no material changes to disclose. From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators.

This Brochure will be delivered to Clients of the Wrap Fee Program before or at the time a client enters into the Wrap Fee Program contact. Either this complete Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of FPN.

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#### ITEM 4: SERVICES, FEES AND COMPENSATION

- A. FPN manages individually allocated portfolios, providing ongoing advice to the client based on the individual needs, client profile and risk tolerance of the client. When suitable for the client, we recommend the use of Third-Party Managers, Outside Managers, or Sub-Advisors (TAMPs) for portfolio management services. When FPN recommends a Sub-Advisor, the Client shall authorize and direct the Custodian (as defined) to pay to Sub Advisor the Management Fee out of the Account upon the Custodian's receipt of a statement from the Sub-Advisor. Please note, the Sub-Advisor's fee will be charged separately, and in addition to FPN's fee. Client will sign a separate contract with each Sub-Advisor, stipulating the frequency and amount of payments, as well as the calculation used to assess the advisory fee. Fees are negotiable. The WRAP fee charged for the program are according to the following fee schedule:

Account Value	Annual Advisory Fee
\$0 - \$500,000	1.50%
\$500,000 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.05%
\$2,000,001 - \$4,000,000	0.95%
\$4,000,001 - \$6,000,000	0.85%
\$6,000,001 - \$8,000,000	0.75%
\$8,000,001 - \$10,000,000	0.70%
\$10,000,001 - \$15,000,000	0.65%
\$15,000,001 - \$20,000,000	0.55%
\$20,000,001 - \$40,000,000	0.50%
\$40,000,001 - \$75,000,000	0.45%
\$75,000,001 - \$150,000,000	0.43%
\$150,000,000+	0.40%

- B. The wrap program may cost the client more or less than purchasing such services separately, based on factors such as trading activity in the client's account.
- C. The client may pay certain fees in addition to the wrap fee, such as custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included in the wrap fee that is charged by our firm.
- D. FPN does not compensate any person other than firm personnel as a result of the client's participation in the wrap program.

## ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We do not have a minimum account size requirement.

We provide investment advice to individuals, high net-worth individuals, pension and profit-sharing plans, charitable organizations, and corporations or other businesses.

## ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

- A. Portfolio managers are selected based on investment management strategies and models that are deemed suitability for clients. Portfolio managers must be appropriately registered and properly positioned to provide quality execution of client transactions.
  - 1. FPN uses industry standards to calculate portfolio manager performance.
  - 2. FPN reviews performance information to determine or verify its accuracy and its compliance with presentation standards.
  - 3. Performance information is calculated on a uniform and consistent basis.
- B. FPN and its advisers act as portfolio managers for the wrap fee program described in this wrap fee program brochure. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program.

### C. Advisory Business

FPN and its Investment Adviser Representatives act as a portfolio manager(s) for FPN's wrap fee program. See Item 4 of this wrap fee program brochure for more information about our wrap fee advisory programs.

### **Tailored Advice and Client Imposed Restrictions**

FPN tailors' investment management and financial planning services to the individual needs of clients, by collecting client profile and suitability data at the commencement of the engagement, to assess the client's risk tolerance and investment objectives. For Financial Planning clients, Adviser collects relevant data to the client's financial planning. Needs to provide specifically tailored advice. When suitable for the client, we recommend the use of Third-Party Managers, Outside Managers, or Sub-Advisors (TAMPs) for portfolio management services. Clients may impose restrictions on investing in certain securities or types of securities.

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

Investing in securities involves risk of loss that clients should be prepared to bear. The methods of analysis and investment strategies Adviser uses in formulating investment advice or managing assets are as follows:

- A. **Modern Portfolio Theory (MPT)** is a practical method for selecting investments to maximize their overall returns within an acceptable level of risk. A key component of the MPT theory is diversification. Most investments are either high risk and high return or low risk and low return. The underlying principles of MPT include the theory that the only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.

Additionally, MPT suggests that markets are efficient. The same market information is available to all investors at the same time, so the market prices every security fairly based upon this equal availability of information. The design of the portfolio is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far more influence on long-term portfolio performance than the selection of individual securities. Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

- B. **Fundamental Analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- C. **Technical Analysis** involves using chart patterns, momentum, volume, and relative strength to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.
- D. **Cyclical Analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be

predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

- E. **Charting Analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may not reflect all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- F. **Use of Sub-Advisers:** Adviser may refer Clients to third-party investment advisers ("outside managers"). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers to determine if that manager has demonstrated an ability to invest over a period and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he or she may not be able to replicate that success in the future. In addition, as Adviser does not control the underlying investments in an outside manager's portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

## **Voting Client Securities**

Adviser does not vote client proxies. Clients will receive their proxies and other solicitations directly from their custodian. Clients can contact us at the phone number/email address on the cover page of this brochure with questions about a particular solicitation.

## **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc.) to ensure the most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your

portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so.

#### ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Our clients may directly contact their portfolio manager(s) with questions or concerns by calling the phone number on this Brochure.

#### ITEM 9: ADDITIONAL INFORMATION

##### **Disciplinary Information**

A. Adviser and management persons have ***not*** been:

1. Convicted of or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses.
2. Named the subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.
3. Found have been involved in a violation of an investment-related statute or regulation; or
4. The subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. Adviser and management persons have ***not*** been involved in and administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority. Adviser and management persons have not been:

1. Found to have caused an investment-related business to lose its authorization to do business; or
2. Found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:



- i. denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business; or
  - ii. barring or suspending your firm's or a management person's association with an investment-related business; or
  - iii. otherwise significantly limiting your firm's or a management person's investment-related activities; or
  - iv. imposing a civil money penalty of more than \$2,500 on your firm or a management person.
- C. Adviser and management persons have **not** been involved in a self-regulatory organization (SRO) proceeding in which the firm or a management person:
  - 1. was found to have caused an investment-related business to lose its authorization to do business.
  - 2. was found to have been involved in a violation of the SRO's rules and was: barred or suspended from membership or from association with other members or was expelled from membership; or otherwise significantly limited from investment-related activities; or fined more than \$2,500.

### **Other Financial Industry Activities and Affiliations**

- A. Adviser and its management persons are not registered, do not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Adviser and its management persons are not registered, do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading Adviser, or an associated person of the foregoing entities, disclose this fact.
- C. Adviser and its management persons do not have any relationships or arrangements that are material to its Advisory business or to its clients.
- D. Adviser recommends other investment advisers. However, Adviser has no other business relationship with those advisers that create a material conflict of interest. Adviser's fee is separate and in addition to their compensation (as noted in Item 5, ADV Part 2A) and will be described to you prior to engagement. Clients are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend.

### **Code of Ethics, Participation or Interest in Client Transaction and Personal Trading**

- A. Adviser has a written Code of Ethics that covers at minimum Employee Personal Trading Policies, Reporting requirements for Access Persons, Professional Duty to Clients,

Standards of Conduct, Reporting of Violations and Sanctions, Disciplinary Actions, Conflicts of Interest, Gift and Entertainment Policy, and Pay to Play (Political Contribution) compliance. Adviser's Code of Ethics is available free upon request to any client or prospective client.

- B. Adviser does not recommend that clients buy or sell any security in which a related person to Adviser or Adviser has a material financial interest.
- C. Adviser or related person may invest in the same securities, or related securities (e.g. warrants, options, or futures) that we or a related person recommend to clients. Conflicts of interest may arise when the Adviser, in its fiduciary capacity, has influence over the timing and price of orders executed. This conflict of interest is mitigated by ensuring that Access Persons of the Adviser do not intentionally “trade ahead” of clients, a process known as “frontrunning”, by which the Adviser places orders for its own account prior to placing orders for clients, receiving more favorable market conditions.
- D. Adviser or related person may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or a related person buys or sells the same securities for our own accounts. Conflicts of interest may arise when the Adviser, in its fiduciary capacity, has influence over the timing and price of orders executed. This conflict of interest is mitigated by ensuring that Access Persons (and related persons) of the Adviser adhered to the firm’s Code of Ethics in trading practices.

### **Review of Accounts**

- A. Adviser periodically reviews client accounts and financial plans, on no less than an annual basis by Jason Hetland, Chief Compliance Officer.
- B. Additional reviews of client accounts and financial plans may be triggered by volatile market conditions, changes to client profile information and investment objectives, and any communication by the client of imposed investment restrictions.
- C. Adviser will provide written reports to Investment Advisory clients on no less than an annual basis. We urge Clients to compare these reports against the account statements they receive from their custodian.

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

- A. Adviser does not receive any economic benefit, directly or indirectly, from anyone who is not a client for advice rendered to our clients. Nor does Adviser, directly or indirectly, compensate any person who is not Advisory personnel for client referrals.
- B. Adviser and its related persons do not directly or indirectly compensate any person who is not our supervised person for client referrals.

## **Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding. Adviser does not have custody of Client funds or securities or require or solicit prepayment of more than \$1,200 in fees per Client six months in advance.

- A. Adviser has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients.
- B. Adviser has not been the subject of bankruptcy proceedings at any time within the past ten years.
- C. Item not applicable.