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*Financial Planning and Investment Management*

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## **Wrap Fee Program Brochure**

February 2024

### **Item 1: Cover Page**

This wrap fee program brochure provides information about the qualifications and business practices of Wheat-Givens Financial, LLC ("WGF"). If you have any questions about the contents of this brochure, please contact us at 214.385.2415. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Wheat-Givens Financial, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2: Material Changes**

Since the last annual update of this brochure, filed on 3/27/2023, the following material changes have occurred:

- October 2023: Wheat Givens Financial began offering discretionary asset management services.
- December 2023: Account Reports switched from Monthly to Quarterly delivery.

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## **Item 4: Services, Fees, and Compensation**

### **Advisory Services Offered**

Phil D. Wheat and Lori Givens co-own Wheat-Givens Financial, LLC (“WGF” or “the Firm”), which began doing business in 1996 (formerly known as Phil D. Wheat, CFP®) in McKinney, TX.

WGF offers client the choice of discretionary or non-discretionary asset management services combined with financial planning through the Wheat-Givens Financial, LLC Wrap Fee Program (hereinafter referred to as the “Program”), where it serves as the Program’s sponsor and sole Portfolio Manager. WGF offers Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring, and the overall investment program will be based on the above factors.

#### **Discretionary**

When the Client elects to use WGF on a discretionary basis, the Client will sign an Advisory Services Agreement granting limited trading authorization, which allows WGF to determine the securities to be bought or sold and the amount of the securities to be bought or sold. WGF will have the authority to execute transactions in the account without seeking Client approval on each transaction.

#### **Non-Discretionary**

When the Client elects to use WGF on a non-discretionary basis, WGF will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, WGF will obtain prior Client approval on each and every transaction before executing any transaction.

WGF Wrap Program fees include Financial Planning and consulting services for clients in the following areas:

- pre-retirement and post-retirement financial consulting
- customized investment allocation plans
- investment and estate planning
- corporate retirement plans
- advisory services
- business continuation and executive/owner benefit planning
- educational and special needs funding strategies

Clients are provided with a written comprehensive financial plan that is presented to illustrate their current financial situation and objectives and to provide specific recommendations of how their goals can best be attained. The plan will include as many of the areas above as the client wishes.

WGF charges a quarterly investment advisory fee based on your assets under management. Fees per household will not exceed the following maximums:

0.25% per calendar quarter (1.00% annualized) up to and including \$500,000
0.125% per calendar quarter (0.50% annualized) for amounts in the household accounts above \$500,001

*\*No fees will be charged for short-term assets (money market funds, CDs) held in accounts.*

This is a blended fee schedule, meaning different asset levels are assessed different fees, then combined for a total investment fee. WGF Wrap Program fees are computed and payable quarterly in advance during the first month of each calendar quarter and will be calculated based on the market value of the client account assets held on the last day of the prior quarter. Fees shall be deducted from the client’s Wrap Fee Account on a quarterly basis unless otherwise instructed by the client. If there are insufficient money market funds available at the time fees are due, WGF will withdraw the amount(s) due once those funds become available

through client-authorized transactions. This may result in multiple fee billings within the same billing period. No late fees will be charged on past-due fees.

WGF, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

For all services, Clients may terminate their engagement with WGF within five (5) business days of signing an Agreement with no obligation and without penalty. After the initial (5) business days, the Agreement may be terminated by WGF with thirty (30) days written notice to Client and by the Client at any time with written notice to WGF. If the account is terminated prior to the end of a quarter, the fee for that quarter will be prorated for the number of days the account was open during that quarter, and any overpayment will be returned to the client following the closing of the account.

### **Fee Comparison**

Clients may be able to purchase services similar to those offered under the Program from other service providers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than our Program, depending on the fees charged by such other service providers. For example, the Program Fee, which is fixed regardless of the number of transactions occurring in the account, may be more or less than paying for execution on a per-transaction basis.

- The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account.
- For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees. WGF does not include cash or cash-equivalent balances when calculating fees to eliminate this conflict.
- In order to evaluate whether a wrap [or bundled] fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodial services comparable to those provided under the Wrap Fee Program.

**Conflict of Interest.** When managing a client's account on a wrap fee basis, we receive as compensation for our investment advisory services, the balance of the total wrap [or program] fee you pay after custodial, trading, and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee.

- For example, our wrap fee arrangement creates incentives for our firm to trade less frequently or select investments that reduce our costs, and in some cases increase expenses that are borne by the client.

Additionally, an increasing number of custodians generally do not charge commissions [or transaction fees] for online trades of U.S. exchange-listed equities, U.S. exchange-listed ETFs, and no-transaction-fee ("NTF") mutual funds. This means that, in most cases, when we buy these types of securities, we can do so without paying commissions to the account custodian. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately.

**Additional Fees**

WGF pays all custodian fees and transaction fees for all accounts under this Program. However, custodians may charge other related costs on the purchases or sales of mutual funds, equities, bonds, options, margin interest, and mark-ups, markdowns, or spreads paid to market makers. Mutual funds, money market funds, and exchange-traded funds may also charge internal management fees, which are disclosed in the fund's prospectus. WGF does not directly receive any compensation from these fees.

The Firm selects mutual funds by criteria, such as past total return performance as well as risk, diversification, internal fund fees, price to earnings ratios, and volatility measures. Broker compensation is not a selection criteria because we do not use "sales charge" funds. If a fund has a sales charge, we will not recommend it unless the fund company will waive the sales charge in an Advisory Service account. Some funds have what is known as a 12b-1 charge as a part of their annual fee structure. This is normally in the 0.25% range. Some part of 12b-1 fees comes to the broker as compensation. If the fund family offers the same fund without 12b-1 fees, we either recommend the non-12b-1 version fund, or if the version without the 12b-1 fees has become available after its counterpart was already in place in an account, we subtract the 12b-1 fees from client fees on a quarterly basis.

**Additional Compensation**

WGF nor its employees receive compensation, other than the portfolio management fee, for the recommendation to the Client or the Client's participation in the Program.

**Item 5: Account Requirements and Types of Clients**

The Wheat-Givens Financial, LLC Wrap Fee Program provides investment advisory services to individuals, trusts, or retirement plans.

There is no minimum requirement to open or maintain a Wrap Fee account.

**Item 6: Portfolio Manager Selection and Evaluation****Portfolio Manager Selection and Evaluation**

WGF is the sole Portfolio Manager and Advisor for the Program. WGF develops each portfolio strategy around each Client's unique financial goals. The portfolio development process includes:

- Determining the timing targets of the Clients goals
- Analyzing the individual risk/return comfort level
- Developing specific investment strategies using a variety of investment methods (shown below) to match the clients total situation
- Monitoring the investments mix in an ongoing manner
- Providing ongoing meaningful communication between the advisor and the Client, assuring the investment plan is in concert with the total financial and family situations as they are now and as they evolve.

The following industry standards may be used to evaluate the Portfolio Manager's performance in security selection:

- Morningstar Risk Rating (is the holding's measure should be equal to or better than its return rating; a risk rating of average or lower is better than high; favorable example: low risk rating and average return rating)
- Morningstar Return Rating (the investment's rating should be equal to or better than its risk rating; a return rating of average or higher is better than low; unfavorable example: high risk rating and average return rating)

- Alpha (how an investment's return compares with the returns of its peer group); the investment's 3-year alpha should show no difference or a positive difference between its total return and the return of its peer group.
- Sharpe Ratio (evaluates a Mutual Fund's or Exchange Traded Fund's risk adjusted performance); The Sharpe Ratio is calculated by taking the excess return of a portfolio, relative to the risk-free rate, and dividing it by the Standard Deviation of the portfolio's excess returns (Standard Deviation is a statistical measure of volatility over a period of time). The higher a portfolio's Sharpe Ratio, the better its risk-adjusted performance.
- Morningstar Category (this identifies the investment's general investment category; stocks have nine categories: large company, mid-cap company and small company for each of the growth, core, and value stock styles; bonds also have nine categories: short, intermediate, and long maturities for each of the high, medium, and low-quality ratings) The investment should be in the same category it was selected to fulfill in the portfolio's allocation strategy.

There is a natural potential conflict of interest with the Portfolio Manager conducting the ongoing review of the standards by which the Portfolio Manager's selection and management have been acceptable. The fact that the measures are completely objective, are provided by Morningstar, a well-known investment data provider, and not subject to manipulation act to mitigate this potential conflict.

### **Related Persons as Program Managers**

WGF is the only Portfolio Manager for the Program. We do not offer access to additional Portfolio Managers but offer one fee to our Clients in order to eliminate concerns regarding variable transaction costs. To the extent that we receive the Program Fee as a result of recommending itself, we are in a conflict of interest with our Clients.

### **Additional Program Information**

#### Advisory Services

WGF's primary advisory services are Investment Management combined with Financial Planning offered through our Wrap Fee Program. The Firm also offers Advisory Services for Company Retirement Plans. For more details, please see the Firm's Form ADV Part 2A: Firm Brochure.

#### Client-Tailored Services and Client-Imposed Restrictions

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. These restrictions may, however, prohibit engagement with WGF.

#### Performance-Based Fees and Side-By-Side Management

Fees are not based on a share of the capital gains or capital appreciation of managed securities. WGF does not use a performance-based fee structure nor "side-by-side" management because of the conflict of interest. Performance-based compensation may create an incentive for WGF to recommend an investment that may carry a higher degree of risk to the Client.

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

Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns. Security analysis methods may include:

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

In developing a financial plan for a Client, WGF's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client's specific situation.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the SEC.

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to WGF. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

#### Voting Client Securities

WGF does not vote proxies for securities held in clients' accounts. Clients receive proxy material directly from their account custodian or broker by either email or U.S. mail. Clients may address questions concerning a proxy matter to WGF personnel via email or phone.

#### Item 7: Client Information Provided to Portfolio Managers

WGF is the sole Portfolio Manager of the Program and collects and shares nonpublic information (such as financial information, investment objectives, and risk tolerance) about Clients to aid in providing appropriate and suitable investment advice. Nonpublic personal information about Clients will be shared consistent with the disclosures made on WGF's Privacy Policy.

#### Item 8: Client Contact with Portfolio Managers

Clients will have unlimited access to program manager and should contact the offices of Wheat-Givens Financial, LLC with any questions or concerns.



## **Item 9: Additional Information**

### **Disciplinary Information**

There have been no disciplinary actions against WGF as a firm or its employees.

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

#### **Registered Representatives**

Certain Investment Advisor Representatives of WGF may also be registered as Registered Representatives of a broker-dealer, which allows them to perform brokerage services for Clients by executing security transactions. This practice represents a conflict of interest because the Investment Advisor Representatives is able to choose between offering Client's fee-based programs and services (as is typical of an advisory relationship) and/or commission-based products and services (as is typical of a brokerage relationship). While a Client generally pays a fee to their Investment Advisor Representatives on an advisory account based on the value of account assets and not the number of transactions, in their capacities as Registered Representatives, an Investment Advisor Representative can offer securities and receive a commission, markup, or markdown on each transaction. An example of this may be a transaction commission on a mutual fund purchase, with additional compensation paid from an ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the Client maintains the mutual fund investment. Our Investment Advisor Representatives do not receive these 12b-1 fees in relation to managed investment advisory accounts in their role as Registered Representatives. This conflict is mitigated by disclosures, procedures and WGF's fiduciary obligation to place the best interest of the Client first. Moreover, Clients are not required to engage the broker-dealer or its representatives if they do not wish to. More information on this can be found in the respective Investment Advisor Representative's Form U4 and ADV 2B.

#### **Other Registrations**

Employees of WGF are not registered, nor do they have an application pending to register, as a futures commission merchant, commodity pool operator, or an associated person of the foregoing entities.

### **Other Financial Industry Affiliations**

Phil Wheat is a Registered Principal and Limited Partner of United Planners Financial Services of America, a Limited Partnership (United Planners). As such, WGF may place securities trades through United Planners for their clients. Any variable life insurance and variable annuity business done by WGF is also placed through United Planners, although the actual contracts are issued and serviced by insurance companies. Lori Givens places life insurance business through a brokerage arrangement with Crump Life Insurance Services.

A conflict of interest exists when WGF recommends a commission-based product. The client is informed of this inherent conflict and that the client can purchase the recommended insurance product from another agent.

### **Compensation**

Employees of WGF do not receive compensation from other investment advisors, nor do they have a business relationship with other advisors, which would create a material conflict of interest.

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

#### **Code of Ethics**

The affiliated persons (affiliated persons include employees and/or independent contractors) of WGF have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of WGF affiliated persons and addresses conflicts that may arise. The Code defines acceptable

behavior for affiliated persons of WGF. The Code reflects WGF and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

WGF's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer, or director of WGF may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

WGF's Code is based on the guiding principle that the interests of the Client are our top priority. WGF's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

WGF will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

### **Recommendations Involving Material Financial Interests**

Neither WGF nor its related persons recommend to Clients, or buys or sells for Client accounts, securities in which WGF or a related person has a material financial interest.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

WGF and its affiliated persons may invest in the same securities (or related securities, e.g., warrants, options, or futures) that WGF or an affiliated person recommends to Clients. In order to mitigate conflicts of interest, such as frontrunning, WGF's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its affiliated persons. These reviews ensure that the personal trading of affiliated persons does not disadvantage Clients of WGF.

### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

WGF and its affiliated persons may recommend securities, or buy or sell securities for Clients accounts, at or about the same time, that they also buy or sell the same securities in their own account(s). WGF, for instance, will place trades in an account in an attempt to earn better than money market rates. In order to mitigate conflicts of interest, such as frontrunning, WGF's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its affiliated persons. These reviews ensure that the personal trading of affiliated persons does not disadvantage Clients of WGF.

### Review of Accounts

#### **Account Review**

Phil Wheat, Owner & Investment Advisor, or Lori Givens, Owner & Investment Advisor, conduct periodic reviews of each Advisory Service client account during the periodic reporting process. This takes place approximately once per month, but no less frequently than nine times per year. These reviews entail comparing the client's investment objective to the portfolio holdings, cash flows, changes in the client's financial position, and often discussion with the client.

In addition to periodic account reviews, WGF reviews client accounts when deposits or withdrawals are made as well as whenever indicated by client circumstances, such as planning for life events, for example: education or retirement.

Phil Wheat or Lori Givens will meet with each client on a periodic basis to review their account. The frequency of these reviews can be impacted by several factors including:

- The size and complexity of the client's accounts
- The complexity of the client's financial situation
- Unexpected changes in the client's goals or objectives
- Changes in political and economic circumstances
- Other lifestyle changes warranting a review of the client's financial situation

In addition to these reviews, the Firm reviews such portfolio statistics as prices and price-to-earnings ratios on days when the US markets are open.

### **Reporting**

Clients receive written account statements no less than quarterly from the Client's custodian. Clients will also receive confirmations of each transaction in the account from the Custodian and an additional statement during any month in which a transaction occurs. WGF will also provide quarterly Account Reports which provide further analysis of account activity. These reports will generally be provided in electronic format.

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

Nobody who is not a client provides an economic benefit to the Advisors for providing investment advice or other advisory services to their clients.

WGF does not pay outside individuals or entities for referring clients.

### **Financial Information**

WGF does not solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance.

WGF has no negative financial conditions that would be reasonably likely to impair our ability to meet contractual commitments to our clients, nor has WGF been the subject of a bankruptcy petition.