

# Greenleaf Financial Group, LLC



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## Form ADV, Part 2A

### *Firm Brochure*

**March 13, 2024**

This brochure describes the qualifications and business practices of Greenleaf Financial Group, LLC. If you have any questions about its contents, please contact us at 317-993-3384 or [info@greenleaf-fg.com](mailto:info@greenleaf-fg.com). 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. Greenleaf Financial Group is a Registered Investment Adviser and its principals are Investment Adviser Representatives. However, this registration does not imply a certain level of skill or training.

Additional information about Greenleaf Financial Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select the "Investment Adviser Search" link and then search for Greenleaf Financial Group by name or by IARD/CRD number 137933.

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## Material Changes

Greenleaf Financial Group has no material changes to report since its last update. Greenleaf Financial Group's ADV Part 2 brochure was previously updated in March 2023 as an annual filing. This brochure replaces all earlier updates and versions.

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## **Advisory Business**

Greenleaf Financial Group provides investment management and financial-planning services on a fee-only arrangement. While the firm primarily serves families and individuals, it also provides advisory services to trusts, small businesses, and not-for-profit institutions.

Founded in 2006, Greenleaf Financial Group is a Registered Investment Adviser with SEC registration. Jennifer Hartman, CFP, CFS, based in Los Angeles, and Kathleen Hartman, CFP, CFA, based in Carmel, Indiana, share equal ownership stakes and serve as the firm's two principals.

Greenleaf Financial Group provides investment-management services for clients who do not wish to manage and monitor their investments due to a lack of time, resources, or interest. Investment management includes ongoing, customized portfolio management and financial-planning services. The aggregate account minimum for new clients served by Greenleaf Financial Group is \$500,000. We also advise clients on financial concerns and decisions, such as Social Security filing, retirement withdrawals, tax deductions, maximizing retirement savings, company benefits, and more.

At this time, Greenleaf Financial Group is accepting new clients on a limited basis.

*At no time will Greenleaf Financial Group provide tax or legal services.*

Greenleaf Financial Group's primary service is ongoing investment management. As of March 13, 2024, the firm managed \$139.6 million in client assets. Of that total, \$8.7 million was managed on a non-discretionary basis and \$130.9 million was managed on a discretionary basis.

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## **Fees and Compensation**

Greenleaf Financial Group is a fee-only investment advisory practice and financial planning firm and therefore does not receive payment for any product purchases or sales. No commissions or remuneration from any third parties are accepted, either on a soft dollar basis or otherwise. No referral fees are paid to, or accepted from, third parties.

### Investment Management Fees:

For clients with appropriate needs, Greenleaf Financial Group offers investment management services on a discretionary or non-discretionary basis. Fees for investment management are charged according to the following schedule:

- The first \$500,000 is billed at: 0.90% annually
- Amounts above \$500,000 are billed at: 0.50% annually

Fees are debited from client accounts quarterly in arrears, based on the value of the account(s) at the end of the quarter. For the initial quarter, as determined by the first account's funding date, the fee is prorated.

### Investment Management Fees for Clients with Greater than \$1 million in Assets Under Management:

- Investment management clients with aggregate household account assets that surpass \$1 million will be charged a flat 0.50% annually after two years. This represents a fee decrease of 0.40% on the first \$500,000 of assets.
- Investment management clients with aggregate household account assets that surpass \$2 million will be charged a flat 0.45% annually after two years.
- Investment management clients with aggregate household account assets that surpass \$3 million will be charged a flat 0.40% annually after two years.

### Minimum Asset Requirements:

Greenleaf Financial Group has a \$500,000 account minimum for new clients seeking this service. Therefore, the minimum annual fee for investment management is \$4,500 for new clients. Accounts may be aggregated to meet this minimum and all accounts represented by one individual or a married or unmarried couple are combined for fee purposes. However, this consideration is not extended to other client family members who reside at different addresses or who have substantially different investment parameters.

*Clients who engaged Greenleaf Financial Group prior to March 2014 have lower minimum requirements and correspondingly lower minimum annual fees.*

If the client's assets are below the aggregate account minimum detailed on their service agreement due to withdrawals or other client actions, they will be charged the minimum quarterly fee. Greenleaf Financial Group may waive this minimum requirement under certain circumstances, such as a substantial market decline.

Greenleaf Financial Group's investment management fees cover active account management, monitoring, and rebalancing. In addition, the firm will provide certain financial-planning services as part of this ongoing relationship. Such services depend upon the client's needs, but generally include a retirement security analysis and advice for current workplace plan accounts, which cannot be moved to Greenleaf's custodian. At no time will the firm provide tax or legal services.

### Mutual Fund Fees and Other Investment Costs

Fees paid to Greenleaf Financial Group for any of the above services are completely separate from the fees and expenses charged by mutual-fund companies or other service providers. Clients may also incur transaction costs or administrative fees from custodians, broker-dealers, trust companies, or other service providers.

Greenleaf Financial Group strives to disclose such costs to clients so that they understand and approve of fees other than those charged by the firm before engaging the firm for investment management or advisory services. However, the firm cannot influence other service providers and therefore cannot protect clients from costs, or cost increases, charged by third parties.

Greenleaf Financial Group does not receive any portion of these other fees. The firm's only manner of compensation is fees paid by clients.

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

Greenleaf Financial Group and its principals and representatives do not charge or accept performance-based fees. The firm does not manage private funds, separately managed accounts, or mutual funds and therefore does not engage in any side-by-side management.

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## **Types of Clients**

Greenleaf Financial Group primarily serves individuals and families. The firm does not target any particular type of person and its financial planners work with people of different ages, backgrounds, and circumstances. Greenleaf's clients include pre- and post-retirees, self-employed individuals, small business owners, nontraditional couples, and more.

Greenleaf Financial Group's principals will not serve as trustees on trust accounts.

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

When Greenleaf Financial Group is engaged to provide investment management or investment advice, the client's current financial situation, needs, goals, objectives and willingness and ability to withstand risk are first evaluated. Asset allocation and investment policy decisions are then made to help the client work towards their overall financial objectives within an appropriate level of risk.

- Asset allocation is a key component of our investment recommendations.
- The firm employs fundamental, long-term philosophies in their investment recommendations and strategies.
- Greenleaf Financial Group strives to create portfolios that have both an "offense" and a "defense." Since we believe markets are not fully predictable, we try to position clients for a variety of market conditions and a range of near-and long-term outcomes.
- However, the firm believes all investments must be regularly monitored to maintain a suitable allocation, as well as sufficient diversification.
- Recommendations provided are based on publicly available reports, analyses, databases, research materials, computerized asset allocation models, and various subscription services.

Greenleaf Financial Group's clients are reminded, however, that there is no guarantee any investment will increase in value and investments may decline in value.

**Investing in securities may result in a loss of principal.**

**Although Greenleaf strives to moderate these risks, clients should be prepared to accept certain investment risks.** These risks include, among others:

- Market risk
- Liquidity risk
- Interest-rate risk
- Credit risk
- Currency risk
- Political risk
- Business and industry risk

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### **Disciplinary Information**

Greenleaf Financial Group and its principals have not been involved in any legal or disciplinary actions involving investments, investment-related businesses, or advisory practices. In addition, neither Greenleaf Financial Group nor its principals have been involved in any legal or disciplinary action with the SEC, any federal regulatory agency, any state regulatory agency, or any foreign financial regulatory agency.

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

Greenleaf Financial Group maintains a policy that its principals and representatives may not have affiliations with other financial-service firms. These affiliations include registration as a broker-dealer, with third-party investment companies, as a consultant, or with another advisory firm.

In addition, Greenleaf prohibits activities that may conflict with the best interests of its clients, such as business activities related to investment products or information (for example as a reviewer or writer) that provides compensation.

Greenleaf Financial Group is dedicated to its role as an independent, objective advisor and will disclose any relationships or activities that may reasonably compromise its independence.

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

### **Code of Ethics**

Greenleaf's principals and planners agree to be bound by the Certified Financial Planner Board's updated *Code of Ethics and Standards of Conduct*, effective October 1, 2019, which outlines the ethical and practice standards for CFP® professionals. The Standards require CFP® professionals to provide financial-planning services under a fiduciary standard of care. This means CFP® professionals must provide financial-planning services in the best interests of their clients at all times.

The CFP Board Code of Ethics states that a CFP® professional must:

1. Act with honesty, integrity, competence, and diligence.
2. Act in the client's best interests.
3. Exercise due care.
4. Avoid or disclose and manage conflicts of interest.
5. Maintain the confidentiality and protect the privacy of client information.
6. Act in a manner that reflects positively on the financial planning profession and CFP® certification.

In addition, all principals, owners, and employees of Greenleaf Financial Group are required to abide by the CFA Institute's Code of Ethics and Standards of Practice. Included in the Standard's of Professional Conduct is a duty of loyalty to our clients. Per this standard, we must – and will – act with reasonable care and exercise prudent judgment. We must – and will – act for the benefit of our clients and place our clients' interests before our own interests.

Finally, Greenleaf Financial Group will comply with all applicable laws and regulations.

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

At times, Greenleaf's principals may hold positions in securities that may also be recommended to clients. Such securities are likely to represent mutual funds and exchange-traded funds, but may also include stocks or bonds.

- If individual stocks or bonds are held by Greenleaf Financial Group principals and/or employees and also recommended to clients, then such holdings will be fully disclosed to clients.
- At no time will the firm's principals or employees receive preferential treatment over clients.
- Greenleaf Financial Group enforces the rules of the Investment Advisers Act of 1940, including the prohibition against insider trading.

Greenleaf Financial Group and its principals and employees are prohibited from borrowing from or lending to a client.

### **Personal Trading**

All investment accounts for Greenleaf Financial Group's principals and employees are subject to review by Greenleaf Financial Group's compliance officer. Consequently, all accounts must be custodied at Fidelity Investments and the firm's compliance officer will review account statements regularly.

Principals and employees may invest in mutual funds and exchange-traded funds at any time without prior approval from the firm's compliance officer. However, individual stock and bond purchases must be reported to the firm's compliance officer within 24 hours of the purchase or sale.

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## **Brokerage Practices**

Greenleaf Financial Group is not associated with any broker-dealer firm. Investment management clients receive brokerage services from Fidelity Brokerage Services LLC, a Fidelity Investments company and a member of the New York Stock Exchange and the Securities Investor Protection Corporation.

Custody and other services are provided by National Financial Services LLC, a Fidelity Investments company and a member of the New York Stock Exchange and the Securities Investor Protection Corporation.

Greenleaf strives to ensure that its custody arrangements meet the following considerations:

- Individual client needs
- Product availability
- Quality of execution
- Telephone and internet support
- Cost of transactions
- Total costs
- Recordkeeping and reporting excellence
- Investment availability
- Overall quality of service

Greenleaf Financial Group does not receive any compensation from any brokerage firm or investment product, including commissions or 12b-1 fees. Greenleaf Financial Group does not accept any soft-dollar payments and does not direct client transactions to a particular broker in return for services. The value of products, research, and services is not a factor when determining a custodian for clients.

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## **Review of Accounts**

For its investment management clients, Greenleaf Financial Group provides continuous monitoring of client accounts. The firm reviews accounts no less frequently than quarterly and more frequently if market or securities conditions warrant.

Greenleaf provides a quarterly performance report to each client and encourages clients to meet annually for account reviews.

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## Client Referrals and Other Compensation

Greenleaf Financial Group does not accept fees or other forms of compensation for client referrals to other professionals, such as tax advisors or estate-planning attorneys. The firm also does not pay professionals for referrals it receives, though its principals may send a small thank-you gift for referrals with a nominal value (typically \$10 to \$15) to professionals or clients who have voluntarily recommended Greenleaf's services.

Client fees are the firm's only source of compensation. Greenleaf Financial Group is a fee-only firm and does not receive any compensation for product purchases and sales, including commissions, prizes, awards, trails, etc.

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## Custody

Client investment assets managed by Greenleaf Financial Group are custodied with National Financial Services LLC, a Fidelity Investments company and Member of the New York Stock Exchange and the Securities Investor Protection Corporation.

Clients receive a monthly statement from Fidelity Investments and have online access to their accounts at [www.fidelity.com](http://www.fidelity.com). Greenleaf encourages clients to review their monthly statements and trade confirmations.

In addition, Greenleaf Financial Group provides investment management clients with a quarterly performance report. This report is a supplement to, not a substitute for, their Fidelity statements. Fidelity reports all transactions, activity, fees, and ending values for the period, whereas Greenleaf provides additional information on stock and bond market results, along with the client's rate of return for various periods. Greenleaf also provides information on the client's quarterly investment management fee on its report.

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## Investment Discretion

For the majority of its clients, Greenleaf Financial Group provides discretionary investment services. Under this arrangement, the client grants trading discretion to Greenleaf Financial Group. Consequently, Greenleaf Financial Group has the authority to direct the investment and reinvestment of the client's investment assets by making security trades without the prior approval of the client. This includes, but shall not be limited to, buying and selling stocks, bonds, exchange-traded funds, and mutual funds.

**This discretion does NOT include withdrawals from clients' accounts, transfers between accounts, or anything other than investment decisions within an account.** All such withdrawal, transfers, or other actions require prior authorization from the client in the form of a one-time authorization or a standing instructions authorization.

For a select few clients, Greenleaf Financial Group has previously agreed to provide non-discretionary investment services. For these clients, GFG will first seek approval for investment decisions.

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## **Voting Client Securities**

Greenleaf Financial Group will submit proxy votes for investment-management clients, unless the client prefers to vote. Greenleaf recognizes that a company's or mutual fund's shareholders have the legal right to make important decisions at the companies they own, including electing directors, reviewing aspects of executive compensation, and weighing in on shareholder proposals addressing a variety of environmental, social, and governance issues.

Greenleaf's principals will review proxy solicitations for meaningful account positions and will use their own judgment, along with the recommendations of third-party organizations, such as ProxyDemocracy and As You Sow if such recommendations are available, when deciding whether to vote with a board's recommendations or not.

Since Greenleaf retains records of proxy voting, clients may request information about Greenleaf's voting record for the mutual funds or stocks they own. In addition, clients may request a copy of Greenleaf Financial Group's voting policies and procedures.

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## **Financial Information**

Due to its service and fee practices, Greenleaf Financial Group is not required to provide an audited balance sheet. However, the firm compiles an annual balance sheet and income statement and provides these documents to securities regulators when required.

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## **Appendix 1: Wrap Fee Program Brochure**

Greenleaf Financial Group does not sponsor or participate in wrap fee programs.

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# Greenleaf Financial Group, LLC



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## **Form ADV, Part 2B**

### ***Brochure Supplement (Advisory Personnel)***

**March 13, 2024**

This brochure supplement provides information about Kathleen Hartman and Jennifer Hartman and is an addition to Greenleaf Financial Group's brochure. You should have received a copy of that brochure (Form ADV, Part 2A). Please contact Kathleen Hartman or Jennifer Hartman if you did not receive Greenleaf Financial Group's brochure or if you have any questions about the contents of this supplement.

Further information about Kathleen Hartman and Jennifer Hartman (Greenleaf Financial Group's principals) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select the "Investment Adviser Search" link and then search under "Investment Adviser Representative" for Jennifer Sue Hartman (CRD number 5107049) or Kathleen Elizabeth Hartman (CRD number 2759014).

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## Principals and Management Persons

Greenleaf Financial Group has two principals who provide all advisory services:

- Jennifer Hartman, CFP, CFS, serves clients in the Los Angeles metropolitan area.
- Kathleen Hartman, CFP, CFA, serves clients in the Indianapolis metropolitan area.

### **Jennifer Hartman, CFP, CFS** (born 1965)

#### Education and Professional Designations:

- *Certified Financial Planner* certification from CFP Board of Standards, 2008
- *Certified Fund Specialist* designation from Institute of Business and Finance, 2007
- *Professional Designation in Personal Financial Planning*, University of California, Los Angeles, 2005
- *MFA*, Columbia College Chicago, 1999
- *BA*, The Colorado College, 1988

#### Business Background:

- Greenleaf Financial Group, Principal, Since 2/2006
- MGM Studios, Inc., Post Production Manager/Supervisor, 1997 - 2005

### **Kathleen Hartman, CFP, CFA** (born 1966)

#### Education and Professional Designations:

- *Certified Financial Planner* certification from CFP Board of Standards, 1999
- *Chartered Financial Analyst* certification from CFA Institute, 2003
- *MA*, The University of Chicago, 1990
- *BA*, Northwestern University, 1988

#### Business Background:

- Greenleaf Financial Group, Principal, Since 2/2006
- Morningstar Investment Services, Inc., Regional Director, 2000 – 2006
- Mason Investment Advisors, Reston, VA and Chicago, IL, Financial Planner, 2000
- Morningstar, Inc., Senior Editor/Product Manager/Mutual Fund Analyst, 1993-2000

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## Qualifications for Professional Designations

**The CERTIFIED FINANCIAL PLANNER™ or CFP®** designation is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board's Code of Ethics and Standards of Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

**To earn the CFA charter**, an individual must pass through the CFA Program, a graduate-level self-study program administered by the CFA Institute that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams.

The primary goal of the CFA Program is to enable individuals to become effective investment professionals by mastering the principles in 10 major topic areas, as determined by the Candidate Body of Knowledge (CBOK). These topic areas include ethics, quantitative methods, economics, financial analysis and reporting, derivatives, equity investments, fixed-income investments, alternative investments, and portfolio management and wealth planning.

**The Certified Fund Specialist® or CFS® designation** is marking its 25th year in existence. The CFS® mark is the oldest designation in the mutual fund industry. The goal of the program is to enable individuals to evaluate and compare financial measurements and benchmarks when constructing a portfolio using closed-end, exchange-traded, and open-end mutual funds.

The CFS designation requires a candidate to pass three non-cumulative exams and one written case study.

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## Additional Education and Business Standards

All associates of Greenleaf Financial Group who provide investment management and advice to clients must have a four-year college degree, a graduate degree, and be a Certified Financial Planner practitioner in good standing with the Certified Financial Planner Board of Standards.

In addition, all associates must be appropriately licensed to provide investment and financial advice.

Greenleaf Financial Group requires all individuals to act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Finally, all associates of Greenleaf Financial Group agree to abide by the Certified Financial Planner Board of Standards' continuing education requirements. These are, at a minimum, 30 hours of continuing education per two-year period, including a Board-approved program on ethics and practice standards.

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### **Disciplinary Information**

Greenleaf's principals have not been involved in any arbitration claims, liability or disciplinary proceedings, or legal or disciplinary actions.

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### **Other Business Activities**

Greenleaf's principals do not participate in any other business activities for compensation. The firm's principals may volunteer for non-profit organizations or provide similar services and they are encouraged to contribute to their communities and to the financial-planning community.

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### **Additional Compensation**

Greenleaf's principals do not accept or receive compensation for any product purchases or sales. No commissions or remuneration from any third parties are accepted, either on a soft dollar basis or otherwise. No referral fees are paid to, or accepted from, third parties.

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### **Supervision**

Jennifer Hartman and Kathleen Hartman both serve in multiple capacities for Greenleaf Financial Group. Both are business managers, principals, investment advisors, and financial planners.

In order to monitor the advice provided by each principal to clients, Greenleaf Financial Group employs policies and procedures to ensure quality advice and service. The firm maintains a list of approved investments and asset allocations for its investment management clients, along with the ability to review client accounts and account statements. Greenleaf requires its principals to use uniform forms and templates to ensure consistent advice and practices.

Questions about Greenleaf Financial Group, LLC, its personnel, its services or this document may be sent to Kathleen Hartman, CFP, CFA at [khartman@greenleaf-fg.com](mailto:khartman@greenleaf-fg.com) or 317-993-3384.