

# Item 1: Cover Page

## Vested Financial Planning, LLC

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San Carlos, CA 94070

<https://vestedfinancialplanning.com>

## **Form ADV Part 2A – Firm Brochure**

650-315-7372

Dated: March 26, 2024

This Brochure provides information about the qualifications and business practices of Vested Financial Planning, LLC, “VFP”. If you have any questions about the contents of this Brochure, please contact us at 650-315-7372. 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.

Vested Financial Planning, LLC is registered as an Investment Adviser with the SEC. Registration of an Investment Adviser does not imply a certain level of skill or training.

Additional information about VFP is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 296970.

## Item 2: Material Changes

The following material changes have been made to this Form ADV Part 2A since the version dated September 8, 2023:

- Vested Financial Planning became registered with the SEC on March 22, 2024. Registration of an investment adviser does not imply a certain level of skill or training.

### **Future Changes**

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators. Either this complete Disclosure 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 Vested Financial Planning, LLC.

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 296970.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at 650-315-7372.

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# Item 4: Advisory Business

## Description of Advisory Firm

Vested Financial Planning, LLC is registered as an Investment Adviser with the SEC. Registration of an Investment Adviser does not imply a certain level of skill or training. VFP was formed in April 2018. Thomas Lo is the principal owner of VFP. As of December 31, 2023, VFP reported \$101,570,990 in discretionary and \$0 in non-discretionary Assets Under Management.

## Types of Advisory Services

### Investment Advisory Services (VFP manages accounts)

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

In cases where the client chooses to have VFP advise on assets that are not held at a qualified custodian in which VFP has an advisory relationship (See Item 12 of this Part 2A), VFP is able to provide investment management services of those held-away accounts through a third-party portfolio management provider, Pontera. Such accounts will be studied, analyzed, asset-allocated, monitored, managed, tactically adjusted and rebalanced when necessary and periodically reviewed by the Firm in detail on behalf of the Client, taking into account the Client's evolving individual circumstances, goals and objectives.

Access to held-away accounts is achieved by the Client giving permission via a provided link through Pontera for the Firm to make asset allocation changes via the Client's online login credentials. These online credentials are never made available to, held or stored by VFP. Access is restricted and the Firm will only have permissions to make changes to the allocation of funds or other securities in the account and will not at any time be able to adjust, add to or subtract from investment options, or any other plan policies or fees assessed by the plan or the fund providers, access the financial assets in the account, make deposits, withdrawals or distributions. These assets will be monitored using third party account aggregation software where the account values and holdings are transmitted and viewed from the account aggregation software. These assets are included in calculating the total assets under management when assessing the annual advisory fee.

## Investment Advisory Services (Outside Managers & Sub-Advisers)

We offer investment advisory services through use of third-party money managers ("Outside Managers" and "Sub-Advisers") for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

## Financial Planning

We provide financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if

appropriate).

- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your

retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

## **Comprehensive Financial Planning**

This service involves working one-on-one with a planner over an extended period of time. With this service, the planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the client’s information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow up meeting is required, we will meet at the client's convenience. The plan and the client’s financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

## **Employee Equity Planning**

Clients with employee equity such as Incentive Stock Options, Nonqualified Stock Options, Restricted Stock Units, and Employee Stock Purchase Plan will be taken through a planning process to optimize these assets. The client

will provide information on their employee equity such as type, amount, grant date, exercise price, and vesting schedule. After the client's employee equity information is reviewed and analyzed, their employee equity plan will be built and reviewed with the client to explain what type of employee equity they have, how their employee equity works including tax treatment, how concentrated their employee equity is, and ways to diversify and reduce the risk of their employee equity. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed plan designed to help them use their employee equity to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the client's convenience. The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed-upon action steps have been carried out.

### **Educational Seminars**

We may provide seminars on an "as announced" basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual's person's need, nor does VFP provide individualized investment advice to attendees during these seminars.

### **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.



## Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

### Investment Advisory Services (Outside Manager)

The standard advisory fee is based on the market value of the account and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.85%
\$3,000,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.65%
\$10,000,001 - \$20,000,000	0.55%
\$20,000,001+	0.45%

The annual fees are negotiable and are pro-rated and paid in advance on a quarterly basis. The Outside Manager will debit the client's account for both the Outside Manager's fee, and VFP's advisory fee, and will remit VFP's fee to VFP. Please note, the above fee schedule does include the Outside Manager's fee. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay a second quarter fee determined by dividing the annual fee by the days in the year and then multiplying by the days in the quarter (i.e. the quarterly fee would be calculated as follows:  $((\$1,000,000 * 1.00\%) + (\$1,000,000 * 0.85\%)) / (365 \text{ days in the year}) * (91 \text{ days in the quarter}) = \$4,612.33$ ). The adviser's fee and the outside manager's fee will not exceed the industry average of 3% of assets under management. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Upon termination, both the Outside Manager and VFP will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. Legacy clients may pay lower fees.

For clients who also participate in investment advisory services and have at least \$2,000,000 in assets under management, comprehensive financial planning will be included in the investment advisory fee.

### **Investment Advisory Services (VFP manages accounts)**

The standard advisory fee is based on the market value of the account and is calculated as follows:

<b>Account Value</b>	<b>Annual Advisory Fee</b>
<b>\$0 - \$1,000,000</b>	1.00%
<b>\$1,000,001 - \$3,000,000</b>	0.85%
<b>\$3,000,001 - \$5,000,000</b>	0.75%
<b>\$5,000,001 - \$10,000,000</b>	0.65%
<b>\$10,000,001 - \$20,000,000</b>	0.55%
<b>\$20,000,001+</b>	0.45%

The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay a second quarter fee determined by dividing the annual fee by the days in the year and then multiplying by the days in the quarter (i.e. the quarterly fee would be calculated as follows:  $((\$1,000,000 * 1.00\%) + (\$1,000,000 * 0.85\%)) / (365 \text{ days in the year}) * (91 \text{ days in the quarter}) = \$4,612.33$ ). The adviser's fee will not exceed the industry average of 3% of assets under management. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Upon termination, VFP will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. Legacy clients may pay lower fees.

For clients who also participate in investment advisory services and have at least \$2,000,000 of assets under management, comprehensive financial planning will be included in the investment advisory fee.

Some clients request to have VFP manage "held-away" assets (assets not on the Charles Schwab custodial platform – e.g. Company 401(k)). Collection of asset management fees for held-away accounts is commonly accomplished by means of quarterly invoicing. Clients will be invoiced quarterly in advance for the asset management fees for held-away accounts. The Client will agree to pay advisory fees in full to the Firm upon receipt of the quarterly invoice.

Alternatively, Clients who also have assets directly managed by the Firm can optionally choose instead to have

their fees for directly managed assets adjusted quarterly to cover the aggregate of all assets managed, both directly and on a held-away basis, as a means of paying the fee.

### **Comprehensive Financial Planning**

Comprehensive Financial Planning consists of an ongoing annual fee between \$10,000 - \$50,000. The fee is paid quarterly in advance. For clients participating in the investment management service, the upfront fee is waived. The fee may be negotiable in certain cases. VFP will not bill an amount above \$500.00 more than 6 months in advance of the service being rendered. Fees for this service may be paid by electronic funds transfer or check. This service may be terminated with 30 days' notice. Any prepaid but unearned fees will be prorated and refunded to the client in the event of early termination.

***The client acknowledges that the annual fee will increase by 3% over the prior year's fee, effective on each anniversary of the execution of the initial contract.***

For clients who also participate in investment advisory services and have at least \$2,000,000 of assets under management, comprehensive financial planning will be included in the investment advisory fee. For clients who initiate an investment management agreement but do not subsequently transfer a minimum of \$2,000,000 in assets under management, \$400 per hour is assessed and invoiced to the client for onboarding services.

### **Project Based Financial Planning Fixed Fee**

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$10,000 and \$50,000. The fee is negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due at completion of work, however, VFP will not bill an amount above \$500.00 more than 6 months in advance of the service being rendered. Fees for this service may be paid by electronic funds transfer or check. Upon termination, the half of the fee that is due up front will be non-refundable, and no further fees will be charged. If the client chooses to participate in ongoing comprehensive financial planning at or before the conclusion of the engagement, the fees paid for the project based engagement will be applied to the upfront and ongoing fees for comprehensive financial planning.

### **Employee Equity Planning**

Employee Equity Planning consists of an annual fee between \$1,000 - \$50,000. The fee is paid quarterly in advance. The fee may be negotiable in certain cases. VFP will not bill an amount above \$500.00 more than 6 months in advance of the service being rendered. Fees for this service may be paid by electronic funds transfer or check. Alternatively, clients who also have assets directly managed by the Firm can optionally choose instead to have their fees for directly managed assets adjusted quarterly as a means of paying the fee to cover the aggregate of all assets managed and the Employee Equity Planning fee. This service may be terminated with 30 days' notice. Any prepaid but unearned fees will be prorated and refunded to the client in the event of early termination.

***The client acknowledges that the annual fee will increase by 3% over the prior year's fee, effective on each anniversary of the execution of the initial contract.***

## **Educational Seminars**

Fees for Educational Seminars will range from \$250 to \$1,000 per engagement. The fee can be negotiable in certain circumstances. The fee will be agreed upon and due in advance of the seminar. Fees will be determined by the length of the event, the number of attendees and whether or not educational materials are being provided. In the event that seminar attendees will be responsible for payment, the fee will be published on the seminar announcement or invitation and will be due in advance of the seminar. VFP may also provide pro-bono seminars at its own discretion. Seminars are offered to organizations and the public on a variety of financial topics. Seminar fees are non-refundable upon conclusion of the seminar. Payment can be made by check.

## **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

# **Item 6: Performance-Based Fees and Side-By-Side Management**

We do not offer performance-based fees.

# **Item 7: Types of Clients**

We provide financial planning and portfolio management services to individuals, high net-worth individuals, and corporations or other businesses.

We do not have a minimum account size requirement.

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

Our primary methods of investment analysis are fundamental analysis and the use of modern portfolio theory.

**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 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.

**Modern Portfolio Theory** The underlying principles of MPT are:

- Investors are risk averse. 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.
- Markets are efficient. The same market information is available to all investors at the same time. The market prices every security fairly based upon this equal availability of information.
- The design of the portfolio as a whole 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. Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- 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.

**Use of Outside Manager:** We may refer clients to third-party investment advisers ("outside managers"). Our analysis of outside managers involve the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time 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/she may not be able to replicate that success in the future. In addition, as we do 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.

## Passive Investment Management

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

## Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when

interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which client's invest.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9: Disciplinary Information

### **Criminal or Civil Actions**

VFP and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

VFP and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

VFP and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of VFP or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

No VFP employee is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No VFP employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

VFP does not have any related parties. As a result, we do not have a relationship with any related parties.

VFP only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, VFP recommends clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be



described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, VFP will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

### **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm

will provide of copy of its Code of Ethics to any client or prospective client upon request.

#### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

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

Our firm and its “related persons” do not invest in the same securities, or related securities, e.g., warrants, options or futures, which we recommend to clients.

#### **Trading Securities At/Around the Same Time as Client’s Securities**

Because our firm and its “related persons” do not invest in the same securities, or related securities, e.g., warrants, options or futures, which we recommend to clients, we do not trade in securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

#### **Factors Used to Select Custodians and/or Broker-Dealers**

Vested Financial Planning, LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

##### **1. Research and Other Benefits**

We currently receive benefits as a result of our relationship with Charles Schwab.

##### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

##### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

#### **The Custodian and Brokers We Use (Charles Schwab)**

We do not maintain custody of your assets that we manage or on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account

(see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We may recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open accounts for you, although we may assist you in doing so. Please read about potential conflicts of interest related to our recommendation of Schwab in Item 14 of this Brochure.

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

**Services that benefit you.** Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account

statements).

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts.
- Provide pricing and other market data.
- Facilitate payment of our fees from our clients' accounts.
- Assist with back-office functions, recordkeeping, and client reporting.

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.
- Access to employee benefits providers, human capital consultants, and insurance providers.
- Marketing consulting and support.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment.

### **Aggregating (Block) Trading for Multiple Client Accounts**

Outside Managers used by VFP may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

## **Item 13: Review of Accounts**

Client accounts with the Investment Management Service will be reviewed regularly on no less than an annual basis by Thomas Lo, Principal and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

VFP will not provide written reports to Investment Management clients.

## Item 14: Client Referrals and Other Compensation

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

## Item 15: Custody

VFP does not accept custody of client funds except in the instance of withdrawing client fees.

For client accounts in which VFP directly debits their advisory fee:

- i. VFP will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to VFP, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

## Item 18: 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.

We do not require or solicit payment of more than \$1,200 in fees per client six months or more in advance.

## Vested Financial Planning, LLC

802 TAMARACK AVE  
SAN CARLOS, CA, 94070  
650-315-7372

Dated: March 26, 2024

### Form ADV Part 2B – Brochure Supplement

*For*

**Thomas Lo - CRD# 6021385**

Principal, and Chief Compliance Officer

This brochure supplement provides information about Thomas Lo that supplements the Vested Financial Planning, LLC (“VFP”) brochure. A copy of that brochure precedes this supplement. Please contact Thomas Lo if the VFP brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Thomas Lo is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6021385.

# Item 2: Educational Background and Business Experience

## Thomas Lo

Born: 1967

### Educational Background

- 1994-1996 - M.B.A., University of Virginia, Darden Graduate School of Business
- 1985-1989 – B.A., Stanford University

### Business Experience

- 04/2018 – Present, Vested Financial Planning, LLC, Principal and CCO
- 10/2015 – 03/2018, Aspiriant, Wealth Manager
- 07/2011 – 10/2015, Fluent Wealth Partners, Financial Planner
- 01/2014 – 10/2015, Intuit, Senior Manager
- 11/2012 – 11/2013, Financial Engines, Director
- 10/2010 – 11/2012, PayPal, Senior Manager
- 11/2004 – 10/2010, EBAY, INC., Senior Manager

### Professional Designations, Licensing & Exams

**CFP (Certified Financial Planner)®:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It 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. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the 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 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 *Standards of Professional 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.  
CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## Item 3: Disciplinary Information

No management person at Vested Financial Planning, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Item 4: Other Business Activities

Thomas Lo is not involved with outside business activities.

## Item 5: Additional Compensation

Thomas Lo does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through VFP.

## Item 6: Supervision

Thomas Lo, as Principal and Chief Compliance Officer of VFP, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.