

Registered as: Elite Retirement Planning, LLC | Doing Business As: Merkle Retirement Planning



## ADV 2A – Firm Disclosure Brochure & Appendix 1

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This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Merkle Retirement Planning (“the firm”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (515) 278-4110 or by email [loren@merkleteam.com](mailto:loren@merkleteam.com). The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment adviser does not imply any specific level of skill or training. This Disclosure Brochure provides information about the firm to assist you in determining whether to retain the firm. Additional information about Merkle Retirement Planning is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our CRD number 297942.

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## Item 2 – Material Changes

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Since the 2023 annual amendment (03/19/2023), there have been no material changes to the type of services, methods of analysis, or company structure. There continues to be no disciplinary or legal issues to disclose.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching the firm name or CRD number 297942. A copy of this Disclosure Brochure may be requested at any time, by contacting (515) 278-4110 or by emailing [loren@merkleteam.com](mailto:loren@merkleteam.com).



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## **Item 4 – Advisory Business**

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### **Firm Information**

Elite Retirement Planning, doing business as Merkle Retirement Planning, is a registered investment adviser firm located in Grimes, Iowa. The firm is a limited liability company (LLC) formed under the laws of the State of Iowa. Merkle Retirement Planning is owned by MRP Holdings, Inc., a holding company formed under the laws of the State of Iowa. MRP Holdings, Inc. also owns MRP Insurance, LLC, an insurance agency.

### **Principal Owners**

Loren Merkle is the sole Direct Owner of MRP Holdings, Inc.

Loren is a CERTIFIED FINANCIAL PLANNER™, Certified Financial Fiduciary® and has his Iowa life, health and accident insurance licenses. He also has passed the Series 6,7,24,63 securities exams. He is the host of the Retiring Today TV show and podcast.

See Item 10 – Other Financial Activities and Affiliations for more information.

### **Conflicts of Interest**

The investment advisory services of Merkle Retirement Planning are provided by an appropriately licensed and qualified individual who is an investment adviser representative of Merkle Retirement Planning. As a client of Merkle Retirement Planning your investment adviser representative will also serve as an insurance agent under our affiliated insurance agency MRP Insurance, LLC. This means your investment adviser representative, acting as an insurance agent, will recommend you place your assets in insurance products and annuities when he or she believes it is in your best interest to do so. These insurance products and annuities pay commissions to MRP Insurance and your investment adviser representative in his or her separate capacity as an insurance agent. This presents a conflict of interest to your investment adviser representative as they could have a financial incentive to recommend you place your assets in either insurance products or an advisory account depending on which would pay them more.

### **Insurance Products**

Some investment adviser representatives of Merkle Retirement Planning are also insurance agents able to sell insurance products for commission compensation. Client portfolios are initially reviewed to determine the degree of market exposure compared to their risk profile and income needs. We may recommend that a portion of a client's total portfolio may benefit from an insurance product that has features not available with a securities portfolio. Insurance products are only recommended to clients where we believe, after careful review, that the product is in each client's best interest; insurance products are therefore not recommended to all clients. MRP Insurance, LLC, an affiliate of Merkle Retirement Planning, and individual insurance agents will receive commissions on all insurance product sales.

#### **MRP Insurance, LLC**

Insurance products, including annuities, are offered through MRP Insurance, LLC, Inc. MRP Insurance, LLC and Merkle Retirement Planning are affiliated and under common control, but offer services separately. Merkle Retirement Planning does not receive commission compensation through MRP



Insurance, LLC; however, individual investment adviser representatives of Merkle Retirement Planning in their individual capacity as an insurance agent, do receive commission compensation.

- Advisory fees are not charged on funds used to purchase insurance products.
- Advisory fees are not reduced due to compensation received by individual insurance agents.
- The receipt of commissions provides an incentive to purchase insurance products.
- Advisory fees are not reduced due to commission compensation received.

Merkle Retirement Planning has taken steps to manage this conflict of interest by requiring that each investment adviser representative:

- only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of Merkle Retirement Planning and its investment adviser representative or MRP Insurance and its insurance agents;
- not recommend insurance and/or annuities which result in your investment adviser representative acting as an insurance agent and/or Merkle Retirement Planning or MRP Insurance receiving unreasonable compensation related to the recommendation.

### **Financial Planning**

Merkle Retirement Planning offers financial planning services, which involve preparing a comprehensive financial plan covering specific or multiple topics. Our role is to find ways to help you understand your overall financial situation and help you set financial objectives. We provide comprehensive financial plans, which can address the following topics:

Financial Planning	
<ul style="list-style-type: none"><li>• Asset Allocation</li><li>• Estate Planning</li><li>• Retirement Planning</li><li>• Insurance Planning</li><li>• Income Planning</li></ul>	<ul style="list-style-type: none"><li>• Tax Planning</li><li>• Investment Planning</li><li>• Risk Management</li><li>• Other</li></ul>

The firm also offers consultations in order to discuss financial planning issues when a comprehensive financial plan is not required, known as “as-needed” consultations. As needed consultations are limited to a particular investment or planning issue.

Financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement the financial plan and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through Merkle Retirement Planning or retain Merkle Retirement Planning to actively monitor and manage your investments, you must execute a separate written agreement with Merkle Retirement Planning for our Asset Management Services.



## Asset Management Services

Services are provided based on individual needs. For example, when we provide asset management services, you are given the ability to impose restrictions on the Accounts, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

When managing client Accounts through our firm's Asset Management Services program, we most often manage a client's Account in accordance with one or more investment models developed either internally by our firm or developed externally by Model Managers. When client Accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings. The determination to use a particular model or models is based on each client's individual investment goals, objectives and mandates.

Merkle Retirement Planning has entered into an agreement with AE Wealth Management, LLC ("AEWM"), an SEC registered investment adviser, to provide asset management services that include:

- model money managers
- portfolio managers
- strategists

As part of the AEWM program, Clients provide Merkle Retirement Planning and AEWM discretion to select third party, non-affiliated investment managers ("Model Managers") to design and manage model portfolios.

Merkle Retirement Planning has access to AEWM's reporting systems, client relationship management systems and workflow systems to assist clients to establish an advisory account. Clients receive continuous investment advice based on investment objective, risk profile and time-horizon. While investment strategies and recommendations are tailored to the individual needs of each client, they consist of an asset allocation consistent with:

- **Income with Capital Preservation.** Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- **Income with Moderate Growth.** This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- **Growth with Income.** This investment objective emphasizes modest capital growth with some focus on generation of current income.
- **Growth.** This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
- **Aggressive Growth.** This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer timer horizon.



We will not enter into an investment adviser relationship with a prospective client whose investment objectives are considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines. However, Clients have the ability to impose reasonable restrictions on the management of Accounts, including the ability to instruct the firm not to purchase certain securities.

### **Third-Party Investment Advisers**

Merkle Retirement Planning can select third-party investment advisers to serve either as a signal-provider or as a sub-adviser to your Account. When selected as a signal-provider, the third-party investment adviser will develop and provide us with model investment portfolios and recommendations for when to buy and sell investments. This means we will trade your Account to implement and make all trades in your Account. When a third-party investment adviser is selected as a sub-adviser, the third-party investment adviser will have trading authority on your account to manage the Account or a portion of the assets of the Account. In this regard, the third-party investment adviser selected by our firm will have discretionary authority on your Account to place trades and make changes to the Account or the portion of your Account the Sub-Adviser is authorized to manage.

Moreover, the firm monitors the performance of all third-party investment advisers with respect to the third-party investment advisers' model portfolio performance and/or management of the designated assets of all Program accounts relative to appropriate peers and/or benchmarks.

It is important to understand that we manage investments for other clients and give them advice or take actions for them or for our personal Accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own Accounts.

At no time will Merkle Retirement Planning accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Adviser Agreement on a discretionary or non-discretionary basis. Accounts are held at either the Charles Schwab & Co., Inc. Institutional Platform, or the Fidelity Institutional Wealth Program (collectively referred to as Fidelity) under the client's name.

### **Wrap Fee Program**

Merkle Retirement Planning offers a wrap fee program where the firm acts as the sponsor and portfolio manager. A wrap fee program is a comprehensive advisory account with a single fee that covers a bundle of services; such as, portfolio management, advice, and investment research as well as trade execution, custody and reporting fee. Please see Appendix 1 –Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure. The advisory fee for a wrap fee program may be higher to account for the transaction fees. Depending on the anticipated level of trading, investment adviser representatives will work with each client to determine the most cost-effective fee structure.

### **Workshops**

Merkle Retirement Planning provides in person and online webinar workshops. Workshop topics focus on



retirement planning issues and other general financial planning topics. Workshops are always offered on an impersonal basis and do not focus on the individual needs of participants. Workshops are offered to clients and prospects at no cost.

### **Retirement Plan Consulting Services**

Investment adviser representatives assist clients that are trustees or other fiduciaries to retirement plans (“Plans”) by providing fee-based consulting and/or non-discretionary advisory services. Investment adviser representatives perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation and/or review of an investment plan based upon consultation with the client to ascertain Plan’s investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or the investment guidelines of the Plan.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations for consideration and selection by client about specific investments to be held by the Plan or, in the case of a participant directed defined contribution plan, to be made available as investment options under the Plan.
- Training for the members of the Plan Committee with regard to their service on the Committee, including education and consulting with respect to fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, Representatives may provide participants with information about the Plan, which includes information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.
- Assistance with investment workshops and informational meetings for Plan participants. Such meetings may be on a group or individual basis and includes information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client’s direction in making changes to investment options under the Plan.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews,





and conversion support with vendor analysis and service provider support.

- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, record keeping, participant education, participant communication and/or other services provided with respect to the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, Representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or obtain participant loans, investment adviser representatives do not provide any individualized advice or recommendations to the participants regarding these decisions.

If a client elects to engage the firm to perform ongoing investment monitoring and ongoing investment recommendation services in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA. Therefore, the firm and investment adviser representative will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the firm and our investment adviser representatives are engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA, and therefore, the firm and our investment adviser representatives will not be a "fiduciary" under ERISA with respect to those other services.

### **ERISA Fiduciary**

Such services provided as an investment adviser representative are subject to the Investment Advisers Act of 1940 ("Advisers Act"), and the adviser is a fiduciary under the Advisers Act with respect to such services. In addition, if client elects to engage an investment adviser representative to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA. Therefore, the IARs will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services.

Clients should understand that to the extent the investment adviser representative is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and therefore, the investment adviser representative will not be a "fiduciary" under ERISA with respect to those other services. From time to time the investment adviser representative may make the Plan or Plan participants aware of other services available from investment adviser representative that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the investment adviser representative is not acting as a fiduciary under ERISA with



respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the investment adviser representative.

### **Retirement Plan Rollovers**

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted
2. Rollover the assets to his/her new employer's plan, if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Cash out the account value, which has significant tax considerations

The firm provides educational services pertaining to retirement plan assets that could potentially be rolled-over to an IRA managed by the firm. Education is based on a particular client's financial circumstances. Merkle Retirement Planning has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a client's best interest and acting accordingly.

### **Client Account Management**

Prior to engaging Merkle Retirement Planning to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Adviser that defines the terms, conditions, authority and responsibilities of the Adviser and the Client.

### **Assets Under Management**

Assets under management will be amended at least annually within 90 days of the December 31 fiscal year-end.

Assets under Management (02/02/2024)	
Discretionary	\$334,796,134
Non-Discretionary	\$0.00
Total	\$334,796,134

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## **Item 5 – Fees and Compensation**

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### **Financial Planning**

Before commencing financial planning services, Merkle Retirement Planning provides an estimate of the approximate hours needed to complete the requested financial planning services. If Merkle Retirement Planning anticipates exceeding the estimated number of hours required, Merkle Retirement Planning will contact the client to receive authorization to provide additional services. Fees are due immediately upon completion and delivery of the financial plan.

- Merkle Retirement Planning can provide financial planning services under an hourly fee arrangement. An hourly fee of \$350 per hour is charged by Merkle Retirement Planning for financial planning services



provided under this arrangement.

- Merkle Retirement Planning also provides financial planning services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for financial planning services under this arrangement. There is a range in the amount of the fixed fee charged by Merkle Retirement Planning for financial planning services. The minimum fixed fee is generally \$500 and the maximum fixed fee is generally no more than \$10,000.

The amount of the fixed fee is specified in the financial planning agreement with Merkle Retirement Planning. Upon completion and delivery of the financial plan, the fixed fee is considered earned by Merkle Retirement Planning and any unpaid amount is immediately due. It is our customary practice to waive or significantly lower the financial planning fee for our Asset Management Services clients.

- In the event that you terminate the financial planning services at any time prior to presentment of the written plan, there will be no penalty or fees due.
- After presentment, payment in full is due.

There are fees and expenses charged by mutual funds to their shareholders if you invest in mutual funds due in part connection with recommendations made by our firm. These fees and expenses are described in each mutual fund's prospectus. These fees can include a management fee, other fund expenses and a possible distribution fee (known as 12b-1 fees). If the mutual fund also imposes sales charges you will pay an initial or deferred sales charge.

Merkle Retirement Planning and our supervised persons do not accept or receive compensation based on the sale of securities or other investment products such as asset-based sales charges or service fees from the sale of mutual funds. The applicable fee is determined by the scope and complexity of a particular client's financial situation as well as the amount of time and expertise required. In some case a fee greater or lesser than the typical fee range may be warranted.

#### **AE Wealth Management Program (AEWM)**

Asset management services clients through the AE Wealth Management Program (the "Program") are charged a specified fee for investment advisory and execution services based on the level of assets under management. Program fees will be calculated and deducted from your account by AEWM with our portion of the overall fee paid directly by AEWM to our firm.

Fees are billed monthly in arrears based on the average daily balance by the 5<sup>th</sup> business day of each month. Billing will begin after the account has trade activity or after two full monthly billing cycles, whichever is sooner. Fees generally follow the below fee schedule subject to the scope, complexity and the amount of time and expertise required.

Account Value Annual Fee	
Over \$5,000,000	1.2%
Over \$1,000,000	1.4%
Under \$1,000,000	1.6%



This is not a “blended” annual fee schedule in which each tier of assets is charged a different rate under the annual fee schedule creating the effect of a blended fee rate used at the time of billing. Under our fee schedule described above, only one rate is charged against all of the client’s assets under management in this program.

- AEWM retains 20 basis points (.20%) of the fee charged.

The specific fee charged to each client is negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account, the potential for additional account deposits, the relationship of the client with the investment adviser representative, Model Managers used, and the total amount of assets under management for the client.

The investment advisory fee in the first period of service is pro-rated from the inception date of the account[s] to the end of the month. Asset management services continue in effect until terminated. You can terminate the services by providing Merkle Retirement Planning notice at any time. Merkle Retirement Planning can also terminate any services by providing notice to the client in writing. Any prepaid, unearned fees will be refunded by Merkle Retirement Planning.

To have Program fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to AE Wealth Management. You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. Client will receive at least monthly statements from the Custodian that provides details of the advisory fees.

- The firm will not have the authority or responsibility to value portfolio securities.
- The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.
- Merkle Retirement Planning and our supervised persons do not accept or receive compensation based on the sale of securities or other investment products such as asset-based sales charges or service fees from the sale of mutual funds.

### **Mutual Fund Share Class Disclosures**

If an account holds mutual funds, Merkle Retirement Planning strives to select the lowest cost share class available; however, certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as support services and “other expenses” such as legal, accounting and the administrative functions of the custodian. When selecting a mutual fund, investment adviser representatives have a fiduciary duty to choose the share class that helps manage the overall fee structure of the account. Mutual funds typically offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore usually less expensive.

Investment adviser representatives will consider investing client funds in 12b-1 fee-paying share classes even when a lower-cost share class is available as appropriate to account for the overall fee structure and tax considerations as well as attributes of a fund not available for lesser fees.



## **Insurance Products Compensation**

MRP Insurance, LLC, Inc., an affiliate of Merkle Retirement Planning, and Merkle Retirement Planning representatives who are licensed as insurance agents, receive commissions and other compensation from insurance companies and insurance intermediaries for the sale of insurance products. Commission rates differ from product to product and carrier to carrier. In addition to commissions, MRP Insurance, LLC and its representatives also receive marketing support, reasonable meals and entertainment, and costs to attend training, conferences, and events hosted by insurance companies and third-party marketing organizations that are contracted with and receive compensation from the insurance company. Insurance commissions and other benefits are significant sources of compensation and are paid separately from advisory fees on assets in a client's managed securities account. Commissions are generally paid up-front at the time of sale, unlike asset-based fees, which are paid periodically over the course of the relationship. This amount and form of insurance compensation creates a conflict of interest in that investment adviser representatives, in their individual capacity as insurance agents, are incentivized to recommend insurance products based on the compensation received rather than on a client's needs.

Investment Adviser Representatives in their individual capacity of insurance agents are not required to offer the products of a specific insurance company or MRP Insurance, LLC. Any compensation received is separate from and does not offset regular advisory fees. Merkle Retirement Planning will not charge advisory fees on any insurance products. Clients are under no obligation to implement any recommendations.

Merkle Retirement Planning addresses the conflict of interest related to insurance product sales by requiring its investment adviser representatives to act in the best interest of the client, including when acting as insurance agents. MRP Insurance, LLC and insurance-licensed investment adviser representatives employ a process of analyzing each customer's financial situation, needs, goals, and risk profile for the purpose of making recommendations that are based on an objective evaluation of each client's best interest rather than on the receipt of any commissions or other benefits. Merkle Retirement Planning will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will an advisory client be required to use the insurance or other services of MRP Insurance, LLC or any representative as a condition of receiving advisory services through Merkle Retirement Planning.

Please see Item 10, Other Financial Industry Activities and Affiliations, for further details about the insurance business.

## **Other Fees and Expenses**

Clients can incur fees or charges imposed by third parties, other than the firm, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the executing broker/dealer. The fees charged by the firm are separate and distinct from custodial and execution fees.

All fees paid to the firm are separate and distinct from the expenses charged by mutual funds and exchange-traded funds. These fees and costs are described in each fund's prospectus.

A Client could invest directly, without the services of Merkle Retirement Planning, but would not receive the advisory services to assist in determining which products or features are most appropriate for their financial situation and objectives. Accordingly, the Client should review the fees charged by the fund[s] and the fees charged by the firm to fully understand the total costs.

If a client's assets are invested in mutual funds or other pooled investment products, Clients should be aware that



there will be two layers of advisory fees and expenses for those assets. The client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. The client will also pay an advisory fee for those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, Clients could generally avoid the second layer of fees by not using the management services of Merkle Retirement Planning and by making their own investment decisions. Further information regarding fees assessed by a mutual fund is available in the appropriate prospectus.

### **Compensation for Sales of Securities**

Merkle Retirement Planning does not receive commission compensation for advisory services.

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

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Merkle Retirement Planning does not accept performance-based fees or fees based on a share of capital gains on or capital appreciation of a client's assets (such as a client of a hedge fund or other pooled investment vehicle).

Merkle Retirement Planning also does not participate in side-by-side management, where an Adviser manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly, flat, or asset-based fee.

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### **Item 7 – Types of Clients**

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Merkle Retirement Planning generally provides investment advice to individuals, high-net-worth individuals, and pension / profit-sharing plans, including plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”).

There is generally no minimum account size required to open or maintain an account with Merkle Retirement Planning.

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

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Merkle Retirement Planning emphasizes continuous and regular account supervision. As part of our asset management service, we generally create a portfolio of exchange-traded funds (“ETFs”) and equity positions. Each portfolio is designed to meet a particular investment goal and is subject to review and rebalancing.

Merkle Retirement Planning uses multiple forms of research to analyze financial data and market conditions, such as a company's general financial health and/or the analysis of management or competitive advantages, past market data (primarily price and volume), business cycles, and patterns and trends.

### **Methods of Analysis**

**Fundamental** – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of





technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in terms of their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and lead to an unfavorable investment decision.

### **Investment Strategies**

Merkle Retirement Planning uses the following investment strategies when managing client assets and/or providing investment advice:

- **Long Term Purchases.** Investments held at least a year.
- **Value Investing.** An investment strategy that attempts to acquire at reasonable valuations publicly traded businesses that can deliver sustainable excess returns. We focus on a long-only strategy. Long term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value oriented special situations with shorter expected holding periods. Value Investing can be described as selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, underperformance relative to major benchmarks, macro-economic risks, investing in value traps, i.e., businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.
- **Tactical asset allocation.** Allows for percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.
- **Strategic asset allocation.** Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy rather than an active trading approach. Of course, the strategic asset allocation targets change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grows shorter.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks,



mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the type of investment, there are varying degrees of risk. You should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are additional risks associated with investing in securities through our investment management program, as described below:

- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** – The risk that fixed-income securities will decline in value because of an increase in interest rates; a bond or a fixed-income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk is the risk that an investor could lose money if the issuer or guarantor of a fixed-income security is unable or unwilling to meet its financial obligations.**
- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.





- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries and causing significant economic, social, and political disruption.

Investing in securities and other investments involves a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Adviser.

### **Types of Investments**

Merkle Retirement Planning generally manages client portfolios that consist of exchange-traded equities (ETFs) and individual securities.

- **Equity** – An investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange Traded Funds (ETFs)** – An ETF is a portfolio of securities invested to track a market index similar to an index mutual fund but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount, and as a result, investors pay more or less when purchasing shares and receive more or less than when selling shares. The supply of ETF shares is regulated through a mechanism known as creation and redemption that involves large specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of a particular ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange. The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs has a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which may be a significant proportional cost not incurred by mutual funds.

Additional types of investments will be considered per client for asset allocation and risk management purposes.



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**Item 9 – Disciplinary Information**

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There are no legal, regulatory or disciplinary events involving Merkle Retirement Planning or any of its Supervised Persons.

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**Item 10 – Other Financial Industry Activities and Affiliations**

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Merkle Retirement Planning does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading adviser, a banking or thrift institution, an Accountant or Accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships. Our representatives will sell other products or provide services outside of their role as investment adviser representatives with us.

**Insurance Affiliation**

In a capacity separate from Merkle Retirement Planning, your investment adviser representative will also serve as an insurance agent for the affiliated insurance agency MRP Insurance, LLC. When acting as an insurance agent, your investment adviser representative can recommend insurance and/or annuity products that pay commissions to the insurance agent, which vary depending upon the product recommended. Consequently, your investment adviser representative of Merkle Retirement Planning has an economic incentive to recommend insurance and annuity products with a higher commission rate, which is a conflict of interest.

**Insurance Agency Affiliations**

Certain Investment Adviser Representatives are also licensed as insurance agents and appointed with MRP Insurance, LLC, Inc. ("MRP Insurance, LLC"), an affiliated insurance agency under common control. Investment Adviser Representatives, in their individual capacity as an insurance agent, will earn commission-based compensation for selling insurance products, such as annuities, to Clients of the Registered Investment Advisor.

- Common ownership represents a conflict of interest.
- Investment Adviser Representatives who are insurance agents have a conflict of interest when making recommendations about the allocation of assets between insurance products and managed securities accounts. This is because the two types of products provide different compensation: an up-front commission and other compensation on insurance products, and ongoing asset-based fees for securities accounts. While we believe that the rate of compensation on each product is about the same in the long term, the upfront payout of insurance commissions can provide an incentive to favor insurance products, and the longer payout of fee-based compensation can provide an incentive to favor securities products, in asset allocation recommendations.

Members of Merkle Retirement Planning's management receive revenue directly from MRP Insurance, LLC. Investment Adviser Representatives are not required to offer the products of a specific insurance company. Any



compensation received is separate from and does not offset regular advisory fees. Merkle Retirement Planning will not charge advisory fees on any insurance products. Clients are under no obligation to implement any recommendations.

MRP Insurance, LLC has a relationship with a third-party insurance intermediary to provide access to insurance products from several life insurance companies. MRP Insurance, LLC receives marketing support payments and other incentives from that intermediary or certain insurers based on and related to insurance products. These incentives can include, but are not limited to: participation in bonus programs, reimbursement for training, marketing assistance, educational efforts, advertising, travel expenses to conferences and events, and business-related meals, gifts, and entertainment.

- In the short term, the upfront payout of insurance commissions may provide an incentive to favor insurance products, and the longer payout of fee-based compensation may provide an incentive to favor recommendation to open an advisory account.
- There is an inherent interest in recommending insurance products through MRP Insurance, LLC rather than a potentially less expensive competing insurance company.
- MRP Insurance, LLC is not required to be registered with the SEC.

### **Third Party Marketing Organization (IMO) - Advisors Excel**

Merkle Retirement Planning will utilize the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select appropriate products. Advisors Excel is an affiliate of AE Wealth Management and our decision to work with AE Wealth Management is significantly based on our IMO relationship with Advisors Excel. IMO's offers special incentive compensation to meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. The receipt of commissions and additional incentive compensation itself creates a conflict of interest. Clients are not required to purchase any insurance products through us in our separate capacity as insurance agents. The purpose of the IMO is to assist us to find the insurance company that best fits the client's situation.

Advisors Excel and Advisors Excel Wealth Management provides marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) and investment services (Advisors Excel Wealth Management) for clients, business succession planning, business conferences and incentive trips for our firm. Although some of these services can benefit a client, other services obtained by us from Advisors Excel such as marketing assistance, business development and incentive trips will not benefit an existing client.

The firm can also receive bonus payments from an insurance company for selling a targeted number of annuities during a specified period of time which creates a conflict of interest.

Merkle Retirement Planning has taken steps to manage these conflicts of interest by requiring that each investment adviser representative:

- only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of Merkle Retirement Planning and its investment adviser representative.



- not recommend insurance and/or annuities which result in its investment adviser representative and/or Merkle Retirement Planning receiving unreasonable compensation related to the recommendation; and,
- disclose material conflicts of interest related to insurance or annuity recommendations.

### **Real Estate Ownership**

Loren Merkle is also affiliated with Merkle Real Estate, LLC, a company owned by MRP Holdings, Inc. Merkle Real Estate, LLC owns one real estate property. This property is a commercial office building where Merkle Retirement Planning, MRP Insurance, LLC and Merkle Retirement Planning, LLC are located. Clients do not invest in Merkle Real Estate, LLC.

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

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### **Code of Ethics**

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Merkle Retirement Planning has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Merkle Retirement Planning's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Merkle Retirement Planning requires its supervised persons to consistently act in your best interest in all advisory activities. Merkle Retirement Planning imposes requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business. This section is intended to provide a summary description of the Code of Ethics of Merkle Retirement Planning. If you wish to review the Code of Ethics in its entirety, you can send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Merkle Retirement Planning or supervised persons of the firm can buy or sell for their personal accounts, investments identical to those recommended to clients. This can create a conflict of interest. It is the express policy of Merkle Retirement Planning that all persons supervised in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Merkle Retirement Planning and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons). Any supervised person not observing our policies is subject to sanctions up to and including termination.



### **Personal Trading with Material Interest**

Merkle Retirement Planning does not act as principal in any transactions. In addition, the Adviser does not act as the general partner of a fund or advise an investment company. Merkle Retirement Planning does not have a material interest in any securities traded in Client accounts.

### **Personal Trading in Same Securities as Clients**

Merkle Retirement Planning allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

### **Personal Trading at Same Time as Client**

Supervised Persons may not purchase or sell any security immediately prior to or immediately after a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

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## **Item 12 – Brokerage Practices**

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Merkle Retirement Planning will recommend that Clients establish a brokerage account with a qualified custodian to maintain custody of assets and to effect trades.

### **Charles Schwab & Co., Inc. & Fidelity**

Currently, we require the use of either Charles Schwab & Co., Inc. or Fidelity. Due to this requirement, we will recommend that you establish brokerage accounts with either Charles Schwab & Co., Inc., or National Financial Services, LLC through the Fidelity Institutional Wealth Services Program (“Fidelity”).

Charles Schwab & Co., Inc. and Fidelity are both members of FINRA/SIPC. Charles Schwab & Co., Inc. and Fidelity are both independent (and unaffiliated) SEC-registered broker-dealers and are recommended by Merkle Retirement Planning to maintain custody of clients' assets and to effect trades for their accounts. Merkle Retirement Planning is independently owned and operated and not affiliated with either Charles Schwab & Co., Inc. or Fidelity.

Both Charles Schwab & Co., Inc. and Fidelity provides us with access to their institutional trading and custody services, which are typically not available to retail investors. These services are available to independent investment advisers at no charge to them so long as the independent investment advisers maintain a minimum amount of assets with the custodian.

These benefits include, but are not limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that require significantly



higher minimum initial investments or are generally only available to institutional investors.

Charles Schwab & Co., Inc. and Fidelity also make available to us other products and services that benefit our firm but do not benefit clients' accounts. These other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services are used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. Charles Schwab & Co., Inc. and Fidelity are also providing other services intended to help our firm manage and further develop our business enterprise. These services commonly include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

### **Soft Dollars**

Soft dollars are revenue programs offered by broker-dealers whereby an adviser enters into an agreement to place security trades with the broker in exchange for research and other services. Custodians make available various products and services designed to assist the firm in managing and administering client accounts. These services include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitation of trade execution and research reports or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making. These support services are provided based on the overall relationship without a minimum production level or value of assets held with the custodian. Consequently, it is not the result of soft dollar arrangements or any other express arrangements that involve the execution of client transactions as a condition to receive the services.

### **Brokerage Referrals**

Merkle Retirement Planning does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

### **Transaction Fees**

The Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodian enables Merkle Retirement Planning to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker/dealers.

### **Best Execution**

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services,





including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order and 3) difficulty of execution. Merkle Retirement Planning does not aggregate purchases and sales for various client accounts but orders can be aggregated by the custodian.

Merkle Retirement Planning uses the average price allocation method for transaction allocation. Under this procedure Merkle Retirement Planning will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Merkle Retirement Planning or our associated persons can invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Directed Brokerage**

Clients should understand that not all investment advisers require the use of a particular broker/dealer or custodian. Some investment advisers allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Merkle Retirement Planning may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers can cost clients more money than if the client used a different broker/dealer or custodian. For compliance and operational efficiencies, Merkle Retirement Planning has decided to require our clients to use broker/dealers and other qualified custodians determined by Merkle Retirement Planning.

### **Block Trading Policy**

We can elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Merkle Retirement Planning believes such action will prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. The process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that can be obtained when orders are placed independently.

Merkle Retirement Planning uses the average price allocation method for transaction allocation. Under this procedure Merkle Retirement Planning will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.



If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Merkle Retirement Planning or our associated persons can invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

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**Item 13 – Review of Accounts**

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Underlying investments held in client accounts are reviewed on an on-going basis with reviews conducted at least weekly by the third-party money managers. We will strive to contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your Accounts, including the ability to instruct us not to purchase certain securities.

While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include review of the third-party money manager serving as signal provider or sub-adviser, investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by your investment adviser representative with reviews performed in accordance with your investment goals and objectives.

**Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular Account statements at least quarterly directly from the qualified custodian. Additional written position or performance reports are available on an on-demand basis.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

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Merkle Retirement Planning is a fee-based advisory firm, that is compensated by its Clients to provide investment advice and not from any investment product or someone other than the Client.

Investment adviser representatives will, on occasion, have an opportunity to attend a training event or participate in a due diligence visit where the Money Manager or Product Sponsor will cover the associated travel expenses such as airfare, hotel and meals. Training opportunities are often held at luxury resorts where amenities such as golf, spas, and entertainment are provided. Such accommodations amount to an economic benefit and represent a conflict of interest that can influence the evaluation of the Money Manager or Product sponsor based on factors other than the quality of services.

Our investment adviser representatives, acting in their separate capacity as insurance agents, receive commissions for the recommendation/sale of annuities and other insurance products. While our investment adviser representatives put the interest of the clients first as a part of the firm's fiduciary duty, clients should be aware that the receipt of commission and additional compensation itself creates a conflict of interest. Due to the





capacity the investment adviser is acting as an insurance agent, this can impact the insurance products they select when making recommendations.

Advisors Excel provides Merkle Retirement Planning bonus compensation based on the amount of annuity sales which is a conflict of interest. They also provide indirect compensation by providing marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) services for clients, business succession planning, business conferences and incentive trips for our firm. Although some of these services can benefit a client, other services obtained by us from Advisors Excel such as marketing assistance, business development and incentive trips will not benefit an existing client and is a conflict of interest. The firm can receive bonus payments from an insurance company for selling a targeted number of annuities during a specified period of time which creates a conflict of interest.

At times, we will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Receipt of these travel and marketing expense reimbursements are dependent upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients. Merkle Retirement Planning and our supervised persons do not accept or receive compensation based on the sale of securities. Supervised persons can be compensated for obtaining prospective clients through marketing initiatives.

### **Client Referrals from Solicitors**

Merkle Retirement Planning does not engage paid solicitors for Client referrals.

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## **Item 15 - Custody**

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Merkle Retirement Planning does not accept or maintain actual custody of funds or securities. A qualified custodian is responsible to providing clients with trade confirmations, tax forms and quarterly statements that include account balance(s). Clients are advised to carefully review the information provided by the custodian and notify their investment adviser representative with any questions or if such information is not received.

For Wrap Fee Program accounts, we are deemed to have limited custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. This is the only form of custody Merkle Retirement Planning will ever maintain. When fees are deducted from an account, Merkle Retirement Planning is responsible for determining the fee and delivering instructions to the custodian. At the same time Merkle Retirement Planning instructs the custodian to deduct fees from your account.

For all of our managed accounts, we have established procedures to ensure all client funds and securities are held



at a qualified custodian in a separate account for each client under that client's name. Clients will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client at least quarterly. When clients have questions about their account statements, they should contact Merkle Retirement Planning or the qualified custodian preparing the statement.

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**Item 16 – Investment Discretion**

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When providing asset management services, Merkle Retirement Planning maintains trading authorization over your Account and can provide management services on a discretionary basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. You will also give Merkle Retirement Planning discretionary authority to select (hire and fire) third-party investment advisers to serve as Model Managers and Sub-Advisers.

You will have the ability to place reasonable restrictions on the types of investments that can be purchased in your Account. You can also place reasonable limitations on the discretionary power granted to Merkle Retirement Planning.

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**Item 17 – Voting Client Securities**

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Merkle Retirement Planning does not vote proxies on behalf of clients. It is your responsibility to vote all proxies for securities held in your account(s). You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and decide based on the information provided.

Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. You will have the ultimate responsibility for making all proxy-voting decisions.

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**Item 18 – Financial Information**

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Neither the firm, nor its management, have any adverse financial situations to disclose and have not been subject to a bankruptcy or financial compromise. The firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.



# Appendix 1 – Wrap Fee Program Brochure

1860 SE Princeton Drive Grimes, IA 50111

515-278-4110

<https://Merkleretirementplanning.com>

March 25, 2024

This Form ADV2A - Appendix 1 (“Wrap Fee Brochure”) provides information about the qualifications and business practices for Merkle Retirement Planning (“the firm”) services when offering services according to a wrap fee program. This Wrap Fee Brochure shall always be accompanied by the firm’s Disclosure Brochure, which provides complete details on the business practices of the firm. If you did not receive the firm Disclosure Brochure or you have any questions about the contents of this Wrap Fee Brochure or the firm Disclosure Brochure, please contact us at (515) 278-4110 or by email at [loren@merkleteam.com](mailto:loren@merkleteam.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. Additional information about the firm and its advisers are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD No. 297942. Licensure does not imply a certain level of skill or training.



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**Item 2 - Material Changes**

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If the firm amends this brochure so that it contains material changes from the last annual update, the changes will be identified in this item.

Clients will receive, at no charge, a summary of any material changes within 120 days of the firm's fiscal year-end and promptly (generally within 30 days) after any material changes throughout the year.



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**Item 3 – Table of Contents**

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## Item 4 – Services, Fees and Compensation

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Merkle Retirement Planning provides investment advisory services where the asset management fee and ticket charges are "wrapped" into a single payment. This Wrap Fee Program Brochure is provided as a supplement to the firm's Disclosure Brochure (Form ADV 2A) to provide further details of the business practices and fee structure. This Wrap Fee Program Brochure references back to the firm's Form ADV 2A in which this Wrap Fee Program Brochure serves as an Appendix. Please see Item 4 – Advisory Services of the Form ADV 2A for details on the firm's investment philosophy and related services. When a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged. Therefore, we have a financial incentive to recommend this program over other programs or services.

When making the determination of whether one of the advisory programs available through Merkle Retirement Planning is appropriate for your needs, you should bear in mind that wrap fee-based accounts, when compared with asset management accounts whereby transaction costs are billed separately from the investment management fee often result in lower costs during periods when trading activity is heavier, such as the year an account is established. During periods when trading activity is lower, wrap fee-based account arrangements can result in a higher annual cost when compared to asset management fee accounts where transactions are billed separately. Thus, depending on a number of factors, the total cost for transactions under a wrap-fee program account versus an asset-management plus transaction cost account can vary.

Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service are available from other sources. The fees and other terms will be outlined in the agreement between you and Merkle Retirement Planning. Participation in this wrap fee program may cost more or less than purchasing such services separately. For example, a client account with a high volume of trading is likely to benefit from the fee structure of a wrap fee program whereas a client with a low volume of trading is likely to benefit more from a fee structure that charges a transaction fee per trade with a lower asset management fee or a brokerage account that does not charge an asset management fee for active management.

You must appoint our firm as your investment adviser of record on specified brokerage Accounts held at Charles Schwab & Co., Inc. or Fidelity (collectively, the "Account"). The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account on a discretionary basis as agreed upon with you. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions.

We will strive to contact you at least annually to discuss any changes or updates regarding your financial



situation, risk tolerance or investment objectives. We are available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your Accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and can give them advice or take actions for them or for our personal Accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we buy, sell or recommend for any other clients or for our own Accounts. Conflicts can arise in the allocation of investment opportunities among Accounts that we manage. We allocate investment opportunities appropriate for your Account(s) and other Accounts advised by our firm among such Accounts equitably and consistent with the best interests of all Accounts involved. There can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we cannot lawfully use or disclose, we have no obligation to disclose the information to any client or use it for any client’s benefit.

**Other Fees and Expenses**

Mutual funds and exchange-traded funds have separate operating costs that are described in each fund's prospectus. These fees and costs will generally be used to pay management fees, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. Merkle Retirement Planning does not receive any of the fees charged by a mutual fund or ETF. A Client could invest in these products directly, without the services of Merkle Retirement Planning, but would not receive the advisory services to assist in determining which products or features are most appropriate for their financial situation and objectives. Accordingly, the Client should review the fees charged by the fund[s] and the fees charged by the firm to fully understand the total costs. Only advisory fees are retained by Merkle Retirement Planning.

Clients are charged a specified fee for investment advisory and brokerage/custodian services based on the level of assets under management. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period’s fee is billed.

Fees generally follow the below fee schedule subject to the scope, complexity and the amount of time and expertise required.

Account Value Annual Fee	
Over \$5,000,000	1.2%
Over \$1,000,000	1.4%
Under \$1,000,000	1.6%

This is not a “blended” annual fee schedule in which each tier of assets is charged a different rate under the annual fee schedule creating the effect of a blended fee rate used at the time of billing. Under our fee schedule

described above, only one rate is charged against all of the client's assets under management in this program. The specific fee charged to each client will vary and is also negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the potential for additional account deposits, the relationship of the client with the investment adviser representative, third-party investment advisers used, and the total amount of assets under management for the client.

The fee retained by selected third-party investment advisers ranges between 0.10% and 0.55%. We do not adjust the overall Program fee depending on selected third-party investment advisers. Therefore, the fee charged to your Account will be the same regardless of selected third-party Investment advisers. This results in varying compensation received by Merkle Retirement Planning resulting from our third-party investment adviser selection criteria. Please refer to Item 6 – Portfolio Manager Selection and Evaluation for more details including how we strive to mitigate for this particular conflict.

### **How Fees are Collected**

Fees are billed monthly in arrears based on the average daily balance by the 5<sup>th</sup> business day of each month. Billing will begin after the account has trade activity or after two full monthly billing cycles, whichever is sooner. You should review your account statements and verify that appropriate investment advisory fees are being deducted.

### **Administrative Services Provided by Advyzon**

To help manage accounts through the Program, Merkle Retirement Planning utilizes the technology platform of Advyzon to assist in managing accounts through the Program. Administrative services allow us to do things like support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement Advyzon will have access to client accounts and information but will not serve as an investment adviser to Merkle Retirement Planning clients. We pay Advyzon a fee on a per-account basis for their services.

Charles Schwab & Co., Inc. and Fidelity are members of FINRA/SIPC and an SEC-registered broker-dealer and are used for the Program to maintain custody of clients' assets and to affect trades for their accounts. Merkle Retirement Planning is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. or Fidelity.

Charles Schwab & Co., Inc. and Fidelity provides us with access to their institutional trading and custody services, which are typically not available to retail investors. These services are available to independent investment advisers so long as the independent investment advisers maintain a minimum amount of assets with the custodian.

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## **Item 5 – Account Requirements and Types of Clients**

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Please see Item 7 – Types of Clients in the Form ADV 2A Disclosure Brochure.

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## **Item 6 – Portfolio Manager Selection and Evaluation**

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Merkle Retirement Planning serves as sponsor and portfolio manager for the services under this Wrap Fee





Program. The firm does not charge performance-based fees.

Merkle Retirement Planning does not accept proxy-voting responsibility. Clients will receive proxy statements directly from the Custodian. Merkle Retirement Planning can assist in answering questions relating to proxies; however, the Client retains the sole responsibility for proxy decisions and voting.

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**Item 7 – Client Information Provided to Portfolio Managers**

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Merkle Retirement Planning is the sponsor and sole portfolio manager for the Program. There is no other portfolio manager where client information can be shared.

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**Item 8 – Client Contact with Portfolio Managers**

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Merkle Retirement Planning is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at the firm.

When a third-party investment adviser is selected for a client, the client does not typically communicate or interact with the third-party investment advisers. Instead, Merkle Retirement Planning will serve as communication conduit between the third-party investment adviser and the client if needed.

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**Item 9 – Additional Information**

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The backgrounds, disciplinary information (none) and other financial industry activities and affiliations is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD No. 297942.

Please also see Item 9 of the firm Disclosure Brochure as well as Item 3 of each investment adviser representative's Form ADV 2B Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background information.

Merkle Retirement Planning has implemented a Code of Ethics that defines our fiduciary commitment to each Client. The details of the Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

Client accounts are monitored on a regular and continuous basis by the Chief Compliance Officer ("CCO"). Details of the review policies and practices are provided in Item 13 of the Form ADV Part 2A – Disclosure Brochure.

Please see Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure) for details on additional compensation that may be received by the firm or its investment adviser representatives. Each investment adviser representative's Form ADV 2B Brochure Supplement (also included with this Wrap Fee Brochure) provides details on any outside business activities and the associated compensation.

- Merkle Retirement Planning does not pay a referral fee for the introduction of clients.
- Financial information is available in Item 18 of the Form ADV Part 2A – Disclosure Brochure.



# Customer Privacy Policy Notice

Effective March 25, 2024

## **Commitment to Your Private Information**

Merkle Retirement Planning has developed a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you (“Information”) with unaffiliated third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

## **Why We Collect and How We Use Information**

We limit the collection and use of Information within our firm and our affiliated companies (i.e. companies that own or are under common ownership with Merkle Retirement Planning, LLC) to only those individuals associated or employed with us that must have information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial advisory, and other services described in our Form ADV.

## **How We Gather Information.**

We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, in-come, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

## **How We Protect Information.**

Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

## **What information do we collect from you?**

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals



### **What Information do we collect from other sources?**

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### **How do we protect your information?**

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### **How do we share your information?**

The firm shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

### **Sharing Information with Other Companies Permitted Under Law.**

We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, unaffiliated third-party investment advisers, mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

### **Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, consultants other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No



<b>Marketing Purposes</b> The firm does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Shadow Wealth Management or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> The firm does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

Other Important Information
<b>Information for California, North Dakota, and Vermont Customers</b> In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.

#### **Former Customers.**

Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.

#### **Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (515) 278-4110 or by email [loren@merkleteam.com](mailto:loren@merkleteam.com).

