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**March 1, 2013**

**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Sensible Financial Planning & Management, LLC. If you have any questions about the contents of this brochure, please contact us at 781-642-0890. 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 Sensible Financial Planning & Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Sensible Financial Planning & Management, LLC is 120766.**

**Sensible Financial Planning & Management, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

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## Advisory Business

Form ADV Part 2A, Item 4

Sensible Financial Planning & Management, LLC's registration was granted by the U.S. Securities and Exchange Commission on April 18, 2005. Frederick Hotchkiss Miller, Jr. (CRD Number 4540301) is a Member and the Chief Compliance Officer of the firm. Linda I. Miller (CRD Number 1505657) is also a Member of the firm. Mr. and Mrs. Miller own all of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not participate in wrap programs. As of December 31, 2012, the firm managed assets on a discretionary basis in the amount of \$142,648,167, representing 640 accounts and managed on a nondiscretionary basis \$154,286,442 representing 336 accounts.

**Sensible Financial** provides both investment supervisory services and fee-only financial planning services for clients. Approximately sixty-five (65%) percent of **Sensible Financial's** total advisory billings are attributable to the investment supervisory service activity. Approximately five (10%) percent of **Sensible Financial's** total advisory billings are attributable to the provision of advice within the context of fee-only financial planning concerning securities related matters and approximately twenty-five (25%) percent of **Sensible Financial's** total advisory billings are attributable to the provision of advice with respect to fee-only financial planning services dealing with non-securities related matters.

With respect to fee-only financial planning activities, **Sensible Financial** will first meet with the client for the purpose of eliciting the pertinent information which must be analyzed in order to prepare a simple written financial plan. Once such information has been successfully elicited and analyzed, **Sensible Financial** will prepare a written financial plan. The fee for this service shall be a flat fee ranging from \$3,500 to \$6,000. The actual fee shall be directly dependent upon the anticipated complexity of the case and the facts and circumstances of the case. In particular, complexity factors include, but are not limited to, client age, net worth, real estate holdings, trusts, annuities, employment status, children, pensions, inheritances and income tax situation. A retainer of fifty (50%) percent of the agreed upon flat fee or estimated hourly fee shall be payable in the form of a retainer deposit payment with the balance due upon completion of the plan and presentation of the plan to the client. No fee shall be based upon capital gains or capital appreciation of assets. All fees are negotiable. Any unearned or unapplied fee shall immediately be refunded by **Sensible Financial** to the client. If the client chooses, implementation may also be undertaken by **Sensible Financial** in the form of asset management activity and ongoing financial planning support. **Sensible Financial** shall not have any custody of client funds but the services of an outside third party custodial firm shall be utilized.

**Sensible Financial** offers a complimentary introductory meeting to prospective clients who are considering an integrated financial plan. This meeting offers prospective clients an opportunity to meet **Sensible Financial** professionals and learn more about **Sensible Financial's** service offerings.

### ***Fees and Compensation***

Form ADV Part 2A, Item 5

The fee for asset management shall be determined as follows:

For **annual** portfolio review, rebalancing and reporting, the sum of:

1.	Basic Fee:	\$688
2.	Account Fees:	\$63 for each brokerage or mutual fund account held at our preferred custodians (TD Ameritrade, Fidelity or TIAA-CREF). \$113 for each account held by non-preferred custodians.
3.	Asset-Based Fee:	10 basis points (bp) (.10%) on managed assets less than \$5M. 5 bp (.05%) on managed assets between \$5M and \$10M. 3 bp on managed assets over \$10M.

For **quarterly** portfolio review, rebalancing and reporting, the sum of:

1.	Basic Fee:	\$1375
2.	Account Fees:	\$125 for each brokerage or mutual fund account held at our preferred custodians (TD Ameritrade, Fidelity or TIAA-CREF). \$225 for each account held by non-preferred custodians.
3.	Asset-Based Fee:	20 bp (.20%) on managed assets less than \$5M. 10 bp (.10%) on managed assets between \$5M and \$10M. 6 bp (.06%) on managed assets over \$10M.

For **semi-annual** portfolio review, rebalancing and reporting, the sum of:

1.	Basic Fee:	\$917
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2.	Account Fees:	\$83 for each brokerage or mutual fund account held at our preferred custodians (TD Ameritrade, Fidelity or TIAA-CREF) \$150 for each account held by non-preferred custodians.
3.	Asset-Based Fee:	13.3 bp (.133%) on managed assets less than \$5M. 6.7 bp (.067%) on managed assets between \$5M and \$10M. 4 bp (.04%) on managed assets over \$10M.

Assets will be calculated at period end based on assets as reported electronically by custodians to Sensible Financial. These assets may differ from those reported on custodian statements. In cases where the client makes a substantial withdrawal during a reporting period, Sensible Financial may use the assets just prior to the withdrawal to calculate the asset based component of the fee.

If asset management services are provided for periods shorter than indicated above, the fee will be prorated (for example, if the quarterly service is provided for one half quarter, the prorated fee will be one half of that which would be charged for the full quarter). The minimum fee will be \$200.

In addition, **Sensible Financial** will charge a one-time account establishment fee to cover the costs of establishing accounts and aligning account positions with the target allocation. This fee usually ranges between \$500 and \$2000, and is determined by considering client's total number of accounts to be transferred, the custodian where accounts are held, the number of equity or fixed income positions within those accounts, types of accounts that need to be established and/or consolidated and how much time and effort it will take to complete the transition. In exceptional cases, the fee may be larger in order to allow **Sensible Financial** to cover its costs for establishing the new accounts.

Some **Sensible Financial** pre-existing client asset management arrangements may differ from the fees quoted above. Specifically, some clients may pay lower base fees, account fees, and asset-based fees. In exceptional cases, **Sensible Financial** may negotiate different fee arrangements to reflect the impact on its costs and profitability of unique client situations.

**Sensible Financial** prefers to receive fees directly from the client's account. (**Sensible Financial** does bill a few clients directly for asset management services.) However, there is no constructive custody as the services of a qualified custodial firm are always used by **Sensible Financial**. Furthermore, such qualified custodial firm sends statements directly to the advisory client at least quarterly. It is further disclosed that the advisory client provides a written authorization permitting the adviser's fees to be paid directly from the client's account.

Because mutual funds pay advisory fees to their investment advisers and such funds are therefore indirectly charged to all holders of mutual fund shares, clients with mutual funds in their portfolios are effectively paying both the **Sensible Financial** firm and the mutual fund adviser for the management of their assets. Clients who place mutual fund shares under the **Sensible Financial**'s management are therefore subject to both **Sensible Financial**'s direct management fee and the indirect management fee of the mutual fund's adviser.

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

Form ADV Part 2A, Item 6

None.

### *Types of Clients*

Form ADV Part 2A, Item 7

Clients will be individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The minimum account size and asset management fee shall be:

<b>Reporting and rebalancing period</b>	<b>Minimum portfolio size</b>	<b>Minimum fee</b>
Annual	\$85,000	\$835
Semi-Annual	\$120,000	\$1,160
Quarterly	\$200,000	\$1,900

**Sensible Financial** may modify the minimum annual fee to reflect additional costs of managing or reporting upon the portfolio.

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

Form ADV Part 2A, Item 8

Methods of securities analysis will be fundamental analysis and technical analysis.

Investment strategies will be long term purchases, short term purchases, trading, short sales and margin transactions.

All investments in securities carry a risk of loss.



***Disciplinary Information***

Form ADV Part 2A, Item 9

.None.

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

Form ADV Part 2A, Item 10

None.

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

Form ADV Part 2A, Item 11

**Sensible Financial** is in compliance with SEC rule 204A-1 in that the firm has adopted a written code of ethics which among other things requires access persons to report personal securities transaction activities. Such activities are reviewed by the firm's Chief Compliance Officer. A copy of the firm's code of ethics is available upon request to clients and prospective clients.

In the unlikely event that the interests of **Sensible Financial**'s account would happen to correspond with an advisory client's interests, full disclosure would be made to such client at once.

**Sensible Financial** recommends mutual fund investments almost exclusively, and index mutual funds whenever practicable. As a practical matter, the ability of **Sensible Financial** to influence prices of recommended securities is negligible in most cases.

It is further noted that **Sensible Financial** is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, **Sensible Financial** has adopted a firm wide policy statement outlining insider trading compliance by **Sensible Financial** and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of **Sensible Financial** and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, **Sensible Financial** has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of **Sensible Financial**, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which **Sensible Financial**'s employees may have non-public information, (4) requiring all of **Sensible Financial**'s employees to conduct their trading through a specified broker or reporting all transactions promptly to **Sensible Financial**, and (5) monitoring the securities trading of the firm and its employees and associated persons.

### *Brokerage Practices*

Form ADV Part 2A, Item 12

**Sensible Financial** suggests brokers to clients. **Sensible Financial** regularly assesses the offerings of brokers, and identifies one or more which provide good net value to clients. Factors considered include trading commissions, quality of reporting to clients and to **Sensible Financial**, and ease of electronic access.

**Sensible Financial** purchases access to real-time stock quotes and charting capabilities which are used for the benefit of all investment management clients. This service was not a factor in **Sensible Financial**'s decision.

**Sensible Financial** believes that commissions paid by clients are among the lowest in the industry.

**Sensible Financial** does not direct client transactions to any particular broker in return for products and research services received.

**Sensible Financial** participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC. TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. **Sensible Financial** receives some benefits from TD AMERITRADE through its participation in the program.

**Sensible Financial** also has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides **Sensible Financial** with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support advisors like **Sensible Financial** in conducting business and in serving the best interests of their clients but that may benefit **Sensible Financial**.

**Sensible Financial** also has an arrangement with BondDesk, which provides **Sensible Financial** with BondDesk's "platform" services. The platform services include, among others, brokerage, administrative support, record keeping and related services that are intended to support advisors like **Sensible Financial** in conducting business and in serving the best interests of their clients but that may benefit **Sensible Financial**.

**Sensible Financial** participates in TD AMERITRADE's institutional customer program and **Sensible Financial** may recommend TD AMERITRADE to clients. There is no direct link between **Sensible Financial**'s participation in the program and the investment advice it gives to its Clients, although **Sensible Financial** receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving **Sensible Financial** participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to **Sensible Financial** by third party vendors (specifically, **Sensible Financial** uses the "thinkpipes" service to access real-time bid/ask spreads). Some of the products and services made available by TD AMERITRADE through the program may benefit **Sensible Financial** but may not benefit its Client accounts directly. These

products or services may assist **Sensible Financial** in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. While TD AMERITRADE offers other services intended to help advisors manage and further develop their business enterprises, **Sensible Financial** does not use these services. In particular, **Sensible Financial** does not participate in TD AMERITRADE's paid referral program.

The benefits received by **Sensible Financial** or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by **Sensible Financial** or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the **Sensible Financial's** choice of TD AMERITRADE for custody and brokerage services.

**Sensible Financial** also uses Fidelity's brokerage and custodial services. Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables **Sensible Financial** to obtain many no-load mutual funds without transaction charges (**Sensible Financial** recommends only a handful of these funds) and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to **Sensible Financial**, at no additional charge to **Sensible Financial**, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by **Sensible Financial** (within specified parameters). These research and brokerage services presently include services such as block trading, importation of trades, software used to access the brokerage services, and advisor support services, and are used by **Sensible Financial** to manage accounts for which it has investment discretion.

As a result of receiving such services for no additional cost, **Sensible Financial** may have an incentive to continue to use or expand the use of Fidelity's services. **Sensible Financial** examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of **Sensible Financial's** clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where **Sensible Financial** determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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 **Sensible Financial** will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by **Sensible Financial** will generally be used to service all of its clients, a brokerage commission paid by a specific client may be used to pay for services not used in managing a specific client's account, or in effecting a specific trade. **Sensible Financial** and Fidelity are not affiliates, and no broker-dealer affiliated with **Sensible Financial** is involved in the relationship between **Sensible Financial** and Fidelity.

As disclosed under Item 12.B. above, **Sensible Financial** also uses BondDesk's brokerage services. BondDesk may charge transaction fees for effecting certain securities transactions. BondDesk's transaction fees are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by BondDesk may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, BondDesk also makes available to **Sensible Financial**, at no additional charge to **Sensible Financial**, certain research and brokerage services, including research services obtained by BondDesk directly from independent research companies. These research and brokerage services presently include services such as block trading, software used to access the brokerage services, and advisor support services, and are used by **Sensible Financial** to manage accounts for which it has investment discretion.

As a result of receiving such services for no additional cost, **Sensible Financial** may have an incentive to continue to use or expand the use of BondDesk's services. **Sensible Financial** examined this potential conflict of interest when it chose to enter into the relationship with BondDesk and has determined that the relationship is in the best interests of **Sensible Financial**'s clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where **Sensible Financial** determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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 **Sensible Financial** will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. **Sensible Financial** and BondDesk are not affiliates, and no broker-dealer affiliated with **Sensible Financial** is involved in the relationship between **Sensible Financial** and BondDesk.

***Review of Accounts***

Form ADV Part 2A, Item 13

Reviews are undertaken on a periodic basis by Frederick H. Miller, Jr., Richard D. Fine, Jessica L. Plattner and Melissa Einberg. There are no independent triggering factors.

*Client Referrals and Other Compensation*

See Item 12, above.

Form ADV Part 2A, Item 14



*Custody*

Form ADV Part 2A, Item 15

None.

### *Investment Discretion*

Form ADV Part 2A, Item 16

Each investment management client executes an Investment Policy Statement (IPS) with **Sensible Financial**. This IPS instructs **Sensible Financial** about the client's target return and implied limits on levels of forecast investment risk. In addition, **Sensible Financial** provides each client with a list of securities that are most likely to be used in constructing the client's portfolio. Some clients ask **Sensible Financial** to take authority to make certain investment decisions on their behalf. In these cases, **Sensible Financial** will have authority to determine which securities will be bought and sold and in what amounts in order to implement the instructions in the IPS.

***Voting Client Securities***

Form ADV Part 2A, Item 17

The firm does not vote proxy statements on behalf of advisory clients.

***Financial Information***

Form ADV Part 2A, Item 18

No financial reporting is required as the firm does not receive advisory fees more than six months in advance.

***Requirements for State-Registered Advisers***

Form ADV Part 2A, Item 19

Not applicable.

*Additional Information*

None.