



The Planned Approach, Inc.

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PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of The Planned Approach, Inc. If you have any questions about the contents of this brochure, please contact us at 816-941-0098. 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. The Planned Approach, Inc. 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.

Additional information about The Planned Approach, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for The Planned Approach, Inc. is 309276.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

As of our initial SEC filing dated May 19, 2020, we have no material changes to report.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact Stephanie Guerin at 816-941-0098 or Stephanie@theplannedapproach.com

We encourage you to read this document in its entirety.

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Item 4 Advisory Business

This Disclosure document is being offered to you by The Planned Approach, Inc. ("The Planned Approach") in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to The Planned Approach and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

We are an investment management firm located in Kansas City, Missouri, specializing in proactive investment advisory services for investors with income over \$300,000 (\$200,000 single filers) or investable assets over \$2,000,000. The firm was initially incorporated and established by Stephanie Guerin and Kelly Hokanson in Prairie Village, Kansas in 2002. In 2016, The Planned Approach was relocated and incorporated in Kansas City, Missouri. The firm's principal owners are Stephanie Guerin, Kelly Hokanson and Staci Peterson.

We are committed to helping clients build, manage, and preserve your wealth, and to provide assistance to clients to help achieve their stated financial goals. We may offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and The Planned Approach execute an engagement letter or client agreement.

Financial Planning Services

Financial advisory services provided by us will include the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services may include a written financial analysis and specific or general investment and/or planning recommendations. In preparing your financial plan, we will address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on your specific needs. These include: financial position, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing your plan will include:

- Review and clarification of your financial goals.
- Assess your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Create a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Develop a goal-oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generate a benefits plan, risk management plan and succession plan for your business, if applicable.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services.

Investment Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

By participating in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions in your account. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by our firm. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least annually.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis.

While our advisory services are tailored to you as an individual, when using mutual funds or Exchange Traded Funds ("ETFs") this multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

Consulting Services

We also provide clients investment advice on a more limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we may provide advice on non-securities matters in connection with the rendering of estate planning, insurance, real estate, and/or annuity advice.

Types of Investments

We primarily offer advice on ETFs, Mutual Funds, and Stocks and Bonds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Wrap Fee Programs

We do not offer a Wrap Fee Program.

Assets Under Management

As of December 31, 2020, we manage \$265,750,121 in client assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5 Fees and Compensation

Financial Planning Fees

Your fee for the designated financial advisory services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed upon by you and your advisor in advance of services being performed. The fee will be determined based on factors including your net worth, the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through your financial advisor.

The type of fee and -- in the case of a fixed fee -- the amount must be agreed to by you and your advisor prior to the signing of the financial planning agreement. The agreed upon fee is due upon signing the agreement. We will complete work within six months of the date your fee is paid. If the work is not completed in such a time, we will refund your fee on a pro-rated basis. Initially first year fees range between \$7,500 and \$20,000. In subsequent years, fees range between \$2,500 and \$20,000 depending on the level of services the client requires and our firm minimum.

In no case are our fees based on, or related to, the performance of your funds or investments.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$300.00.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which The Planned Approach, or a related party, may receive compensation. However, as a financial planning client, you are under no obligation to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

Investment Management Fees and Compensation

The Planned Approach charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian may charge custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See *Additional Fees and Expenses* below.

In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12 (b) (1) fees and other mutual fund annual expenses as described in the fund's prospectus. Furthermore, some existing variable annuities may be subject to trailing service fees, deferred sales charges, and mortality and expense fees. These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

Our fee for portfolio management services is based on a percentage of the assets in your account and is set forth in the following annual fee schedule:

Annual Fee Schedule

Assets Under Management	Annual Fee
Less than \$1,000,000	1.00%
\$1,000,000 to \$5,000,000	0.75%
More than \$5,000,000	0.50%

The fee is charged quarterly and is calculated on the market value of the account on the last day of the calendar quarter and will cover the period from the first day of the calendar quarter through the last day of the calendar quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

The fees for accounts are based on an annual percentage of assets under management. The fees are applied to the account asset value on a pro-rated basis, billed quarterly in arrears. Adjustments will be made for deposits and withdrawals made during each quarter. The initial fee will be based upon the

date the account is accepted for management by execution of the investment advisory contract by the Firm and the assets are transferred through the last day of the current calendar quarter. The management fee is based on the size of the account at inception and is reviewed annually and reset at the time of the advisory client's annual review if the account(s) qualify for a lower fee. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Our investment advisory fees shall not exceed 1.00%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fees may be negotiated.

You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy. We will receive a duplicate copy of the custodian's statement that was delivered to you.

Either The Planned Approach or you may terminate the management agreement, upon 30 days written notice to the other party. The final management fee will be charged to you upon termination of the contract. Should you close your account before the management fee is charged, we will bill you directly for the fee, and it will be due upon receipt. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Consulting

Your fee for general consulting services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed upon by you and your advisor in advance of services being performed. The fee will be determined based on factors of the consulting project and fully detailed in our agreement. A portion of the fee is payable upon signing the agreement. We will complete work within six months of the date your fee is paid, in cases where you pay in advance. If the work is not completed in such a time, we will refund your fee on a pro-rated basis. The fixed fee ranges between \$7,500 and \$30,000.

You may terminate the consulting service agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$300.00.

Additional Fees and Expenses:

In addition to the advisory fees paid to our Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly

by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Planned Approach's practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

Compensation for the Sale of Insurance Products

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our advisory fee compensation is charged only as disclosed above in *Fees and Compensation*.

Item 7 Types of Clients

We provide investment advice to individuals, high net worth individuals, small businesses, trusts and estates.

In general, we require a minimum of \$2,000,000 with some exceptions to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our Methods of Analysis, Investment Strategies and Risk of Loss are all centered on the specific needs of the clients we serve.

We begin our process reducing the universal options by eliminating investments which do not provide enough transparency to understand how profitability is obtained. Further, we reduce the options by eliminating choices which have fees that are, in our opinion, not worth the value. We also eliminate choices that may carry risk we do not believe our clients can mitigate based on their personal situation. This is not to say we can eliminate risk - we cannot. We may further eliminate choices that

we do not believe have a long-term future for various reasons, reduce flexibility for clients in the future, are not independent and could be transferred to other custodians, or rely on overly complex tax law or currency exchanges in order to be profitable.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

We rely heavily on our partners and their competitors for analysis. These partners include, but are not limited to custodians, management companies, and communication partners such as Orion and eMoney. We further rely on the Financial Planning Association and various financial publications and books to develop and adapt strategy.

We develop a plan for each client based on our knowledge base of investments, but also of the client. Please see our Investment Philosophy and Investment Strategies to discuss how we do this in general terms, knowing each client is unique and may have variables others do not. We test our portfolios against benchmarks quarterly and provide a simple, concise statement to you about how those portfolios have performed. Further, we test them at least annually with our financial and investment planning software from multiple sources.

We will periodically rebalance portfolios, for one of three reasons: 1) the personal situation of the client has changed, 2) market drift has brought the portfolios out of balance over time and they need to be "re-set", 3) we have found a change that may potentially bring a better combination of risk and return long term for the client. We DO NOT move money in the portfolios because of a rapid decline or a rapid increase in any asset class or in the "market" as a whole. However, in a massive market or allocation swing, we may vary where investment income is pulled from, where new investment dollars get invested, or make suggestions that could help clients with their tax planning.

Investment Philosophy

Our investment philosophy centers on the lifestyle needs of each individual client. We do not chase returns and we do not time the market - ever. We believe each asset owned by a client should have a certain purpose that is identified before the investment is purchased. We believe that once an asset is purchased, it should be monitored, but unless something fundamental about the asset changes, or the life situation of the client changes, it should be left alone. We do not consider fluctuations in price alone to be a reason to buy or sell an asset, but rather the value of the asset in relation to its price.

We believe the more money is touched, the smaller it gets. So we take our time putting in place a strategy for each individual client and then we encourage them to stick to their strategy in good times and bad.

We believe that the majority of investor performance comes not from the assets they purchase, but from their behavior. We believe if a client lives within their means, has proper liquidity, is diversified, is prepared for the risks of life, and stays informed, that they can achieve strong performance by not participating in ludicrous buying and selling during times of volatility.

We work internally and with outside, third party managers to allow our clients to benefit from all types of markets and economic cycles. We focus on educating ourselves constantly, but rarely does something new impress us. We prefer tried and true methods.

Investment Strategies

Our number one strategy is to take our time to develop a portfolio for our client that fits their needs. We spend as much time as the client needs to understand what they are doing, and then continuously follow up with the client to communicate and re-educate them on their investments, as frequently this is new information for them, and sometimes life gets in the way.

We believe the more financially mature our client is the more sophisticated their portfolio will likely be.

We design a portfolio with liquidity in mind. We want to ensure a client has enough immediate cash to handle cash flow needs and emergencies. We then look at the portfolio balancing the need for growth with the need for immediate asset liquidity.

We design a portfolio for diversification. While cash, bonds and stocks can all be part of that (including exchange traded funds (ETFs) and mutual funds), we also may look at other types of investments, such as REITS, leasing, land, banking, oil and gas options, commodities, and other alternatives. We consider personally held businesses, personally held real estate, and other assets of the client part of their portfolio, even if we do not manage them directly.

We design a portfolio with tax considerations in mind, although we are not tax advisors. With every asset, there are tax implications at the purchase and/or at the time of sale. We are well aware of those issues and keep them in mind as we design a portfolio to maximize our clients after tax use of those assets as much as we can.

Finally, we keep cost in mind as we design a portfolio. We are well aware of what high fees can do to a portfolio over time. Our goal is to add value to our client's portfolio over time that you would not have gotten elsewhere or on your own. We find one of the easiest ways to do this is to keep fees reasonable. Wherever we can will negotiate fees on behalf of our clients.

Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even 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 certain additional risks associated when investing in securities through The Planned Approach.

You should be aware that your account is subject to the following risks:

- **Stock Market Risk** - The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** - The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** - The portfolio's investments could be concentrated within one industry or group of

industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.

- **Non-U.S. Securities Risk** - Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** - To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** - The value of your portfolio's investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk**. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk**. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- **Inflation Risk**. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- **ETF and Mutual Fund Risk** - When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- **Management Risk** - Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Options Risk** - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Recommendation of Particular Types of Securities

We primarily recommend ETFs, Mutual Funds, and Stocks and Bonds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Variable Annuities: A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments,

typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Real Estate: Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnership have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

Private Placements: A private placement (non-public offering) is an illiquid security sold to qualified investors and are not publicly traded nor registered with the Securities and Exchange Commission.

Risk: Private placements generally carry a higher degree of risk due to illiquidity. Most securities that are acquired in a private placement will be restricted securities and must be held for an extended amount of time and therefore cannot be sold easily. The range of risks are dependent on the nature of the partnership and are disclosed in the offering documents.

Item 9 Disciplinary Information

The Planned Approach does not have any legal, financial or other "disciplinary" item to report.

Item 10 Other Financial Industry Activities and Affiliations

Licensed Insurance Agents

Persons providing investment advice on behalf of our firm are licensed as insurance agents in certain jurisdictions. These individuals will earn commission-based compensation for selling insurance products, including insurance products they sell to you in jurisdictions where they are licensed to do so. Insurance commissions earned by these individuals are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

We have no other active or pending financial industry activities or affiliations to disclose relating to futures commission merchants, commodity pool operators, commodity trading advisors, or any associated persons of the foregoing entities.

Administrative Services Provided by ORION Advisor Services, LLC

We have contracted with ORION Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, ORION will have access to client accounts, but ORION will not serve as an investment advisor to our clients. The Planned Approach and ORION are non-affiliated companies. ORION charges our firm an annual fee for each account administered by ORION. The annual fee is paid from the portion of the management fee retained by us.

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

Description of Our Code of Ethics

The Planned Approach and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of The Planned Approach, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of The Planned Approach shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of The Planned Approach shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of The Planned Approach.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and States.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation for a broker/dealer is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. If you want us to provide advisory services, the broker/dealer must be approved by both you and us. We place trades for your account subject to our duty to seek best execution and other fiduciary duties. Your custodian's execution quality may be different than other broker-dealers.

Additionally, we have outsourced our back-office tasks to Orion. These include tasks of daily database reconciliation, statement generation and delivery, and advisory fee filling. Orion's system will provide us with customized reporting, GIPS-compliant composites, trade upload creation and pending trade follow-up for us to provide maintenance activities for your account.

We will not aggregate trades for ourselves or our associated persons with your trades. Individual advice and treatment will be accorded to each advisory client.

Research and Other Soft Dollar Benefits

In selecting or recommending a broker-dealer, we will consider the value of research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." Because such services could be considered to provide a benefit to our firm, we have a conflict of interest in directing your brokerage business. We could receive benefits by selecting a particular broker-dealer to execute your transactions, and the transaction compensation charged by that broker-dealer might not be the lowest compensation we might otherwise be able to negotiate.

Products and services that we may receive from broker-dealers may consist of research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and data bases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities

transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not just for those accounts for which commissions may be considered to have been used to pay for the products or services.

The test for determining whether a service, product or benefit obtained from or at the expense of a broker constitutes "research" under this definition is whether the service, product, or benefit assists our firm in investment decision-making for discretionary client accounts. Services, products, or benefits that do not assist in investment decision-making for discretionary client accounts do not qualify as "research." Also, services, products or benefits that are used in part for investment decision-making for discretionary client accounts and in part for other purposes (such as accounting, corporate administration, recordkeeping, performance attribution analysis, client reporting, or investment decision-making for the firm's own investment accounts) constitute "research" only to the extent that they are used in investment decision-making for discretionary client accounts.

As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware that the receipt of economic benefits by our firm is considered to create a conflict of interest.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars, and may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely require that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's

best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

Item 13 Review of Accounts

Account Reviews and Reviewers - Investment Supervisory Services

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by Stephanie Guerin, Kelly Hokanson and Staci Peterson. An annual review is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

Statements and Reports

Through an agreement with Orion Advisor Services, Inc., The Planned Approach will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar year.

The custodian for the individual client's account, TD Ameritrade, will also provide clients with an account statement at least quarterly.

You are urged to compare the reports provided by The Planned Approach against the account statements you receive directly from your account custodian and communicate any inconsistencies as soon as possible to The Planned Approach.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors.

Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Item 15 Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Direct Debiting of Fees

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian.

For accounts in which The Planned Approach is deemed to have custody, the firm has 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 or an independent representative of the client 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, or the client's independent representative, at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. Clients should carefully review those statements and are urged to compare the statements against reports received from The Planned Approach. When clients have questions about their account statements, they should contact The Planned Approach or the qualified custodian preparing the statement.

When fees are deducted from an account, The Planned Approach is responsible for calculating the fee and delivering instructions to the custodian. At the same time, The Planned Approach instructs the custodian to deduct fees from the client's account. Further, these fees will be disclosed on your quarterly statements. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Wire Transfer and/or Standing Letter of Authorization

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 Investment Discretion

Prior to engaging The Planned Approach to provide investment advisory services, clients enter into a written Agreement with The Planned Approach granting the firm the authority to supervise and direct, on an on-going basis, investments- in accordance with the client's investment objective and guidelines. Clients will also execute any and all documents required by the Custodian so as to authorize and enable The Planned Approach, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by The Planned Approach for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

In all cases, due to our fiduciary responsibility and code of ethics, we are not allowed to put our interests before your own.

Item 17 Voting Client Securities

We will not vote proxies under its limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

Item 18 Financial Information

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.