

## **Personal Financial Solutions, LLC**

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### **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Personal Financial Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at 732-722-7912. 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 Personal Financial Solutions, 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 Personal Financial Solutions, LLC is 129095.**

**Personal Financial Solutions, 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***

### **Firm Name and Ownership Information**

Personal Financial Solutions, LLC (PFS) is an SEC registered investment advisor located in the state of New Jersey. PFS provides comprehensive financial planning services in the manner advocated by the Certified Financial Planning Board of Standards, Inc. PFS will also provide financial planning services on an as needed or a la carte basis if desired by the client. PFS specializes in the investment management aspect of financial planning.

Personal Financial Solutions, LLC, has been in business since 1996. PFS's present ownership team has been in place since inception. PFS is owned equally by Kenneth P. LeBlanc, CFP®, and Ellen D. LeBlanc, MA.

Kenneth P. LeBlanc, CFP®, earned his Bachelor of Arts degree in Economics from Rutgers College Rutgers University in 1988, earned his Certified Financial Planner designation in 1996, passed the NASD Series #7 exam in 2001, and passed his NASD Series #63 exam in 2003.

Ellen D. LeBlanc, MA, earned her Master of Arts degree in Math Education from Teachers College Columbia University in 1991, and earned her Bachelor of Arts degree in Mathematics from Rutgers College Rutgers University in 1990.

### **Services Provided**

***Investment Management:*** PFS provides ongoing management with comprehensive reviews and reports at least quarterly, within the framework of a well-defined approach and a statement of investment policy for each client. For a more detailed explanation please see item # 8 in this brochure.

***Financial Planning:*** PFS provides analysis in each of the following component areas either as part of a comprehensive plan or as individual components depending upon a particular client's needs and desires: Investment Analysis, Retirement Income Analysis, Estate Planning Analysis, Insurance Analysis, Business Planning Analysis, and College Funding Analysis.

***Investment Advisory:*** PFS provides one-time or periodic investment analysis. This service is wholeheartedly separate and distinct from Investment Management Services.

### **Customization of Services**

Our clients are primarily individual investors. As a result, we may tailor our services to meet individual criteria. This may include adjusting asset allocation strategies to accommodate cash flow needs, risk tolerance levels, time horizons, as well as other specific criteria that may arise.

Clients may impose restrictions on investing in certain securities or types of securities. PFS does not advise clients to do so but will work with clients if the restrictions are deemed acceptable by both PFS and the client. For certain requests or restrictions PFS will advise clients to open separate non-managed accounts to meet those desires.

### **Wrap Fee Programs**

Personal Financial Solutions, LLC, does not participate in wrap fee programs nor does PFS advise clients to do so otherwise.

### **Assets Under Management**

As of December 31, 2021, Personal Financial Solutions, LLC, managed a total of \$133,281,798 all of which is managed on a discretionary basis. Personal Financial Solutions, LLC only exerts discretionary authority within a well-defined Statement of Investment Policy whereby clients are advised of changes to the Statement of Investment Policy with a reasonable amount of time to indicate they do not wish to implement the adjustments.

## ***Fees and Compensation***

**Personal Financial Solutions, LLC, may charge Fees for services, as determined on a case by case basis, in either of the following two manners:**

**Percentage of Assets Under Management:** This is the primary method for billing with regard to Investment Management Services. Fees are billed 3 months in arrears on a quarterly basis. These fees are negotiable on a client by client basis. The client may terminate the relationship at any time. The base non-negotiated fee is based on the assets under management according to the following base schedule:

<u>Portfolio Value</u>	<u>Annual Rate</u>
\$0 - \$499,999	1.25%
\$499,999 - \$999,999	1.15%
Over \$1,000,000	1.00%

**Fixed Rate:** This is the primary method for Financial Planning and Investment Advisory Services. Fees are determined in accordance with a working knowledge of the complexity of the client's situation and the services requested. These fees are negotiable on a client by client basis. The fee, or fee calculation method, is determined and incorporated into the contract which is signed in advance by and for each individual client.

Personal Financial Solutions, LLC, will recommend and/or transact trades utilizing open-end mutual funds, exchange traded funds, and individual stocks and bonds that will incur transaction fees or commissions assessed by the custodian. Clients are advised of such fees prior to the execution of transactions.

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

Personal Financial Solutions, LLC, does not charge performance-based fees.

## ***Types of Clients***

Personal Financial Solutions, LLC, provides investment management services, financial planning services, and investment advisory services to individuals, trusts, businesses, and qualified retirement plans.

Personal Financial Solutions, LLC, does not maintain any particular requirements for opening and maintaining accounts, however, Personal Financial Solutions, LLC, does reserve the right to decline to work with certain prospective clients and/or advise them to seek advice/services elsewhere if there does not appear to be the basis for a mutually beneficial, productive, and enjoyable relationship.

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

### **Investment Strategy**

#### **Strategic vs. Tactical**

Investment portfolios will be managed under a combined Strategic and Tactical approach.

The **strategic aspect** relates to the **long-term** “Base” allocation. Using Past History as our guide, we believe that over longer periods of time, the equity markets consistently provide more favorable results as compared to the bond markets. We believe It is equally true that the equity markets are more volatile on a year in and year out basis. Accordingly, these factors are combined with the client’s risk tolerance and usage requirements timeframe to form the strategic allocation.

The **Tactical aspect** relates to the intermediate-term current allocation target as it falls within the longer-term Strategic aspect. We believe that the various investment categories and styles go through cycles of market over/under performance. By utilizing a Tactical aspect we can “conservatively” enhance our client’s portfolio performance by systematically moving out of certain categories following historically long periods of out-performance. Conversely, we can more heavily focus on categories that have underperformed but have statistically shown evidence of an inflexion point.

We will not engage in **Market Timing** aspects which are focused on short-term predictions with no evidence of an inflexion point.

All clients sign an initial Statement of Investment Policy and then they receive a comprehensive allocation statement within each quarterly report as a review of and identification of adjustments regarding the current and target parameters for each client portfolio, whether individual or combined.

### **Diversification Across and Within Categories**

Three main levels of diversification are utilized across and within the investment portfolio strategy to enhance and protect assets.

**First Level of Diversification:** Each client’s Base Allocation utilizes **four primary equity categories** – Foreign Stock, Small Capitalization Domestic Stock, Mid Level Capitalization Stock, and Large Capitalization Stock. Most clients will have exposure to three of four categories at all times unless circumstances dictate otherwise. Multiple

categories are utilized because there is no known method to determine which category will outperform over the upcoming period. Additionally, by utilizing multiple categories we avoid the risk of being highly exposed to a single area of the market as any category is subject to potential significant and sudden downturns.

**Second Level of Diversification:** Within each of the three primary domestic equity categories we recognize **two distinct investment styles – Growth & Value – and a third style – Blend – which falls in the middle**. Much like the primary investment categories, these style classifications perform in cycles. When one style has outperformed for an above average period of time we will look to reduce exposure to it and conversely, we will look to re-build a position in a style that has been out of favor for a period of time.

**Third Level of Diversification:** Once a client's investment portfolio's allocation parameters are clearly defined, the specific **investments** are selected. We select either open-ended mutual funds or exchange traded funds. We select investments based upon a variety of criteria including but not limited to manager tenure, consistency of above average results within style category, and sector exposure. Additionally, exposure to any one fund family is limited as it is our observation that they tend to perform in similar cycles.

#### **Ongoing Analysis, Adjustment, & Re-Balancing**

**Analysis:** All aspects of a client's investment portfolio are monitored on an ongoing basis.

**Adjustments:** Recommendations are made as indicated on an ongoing basis in much the same manner that an individual would care for their personal health – there is no need to wait for an annual or end of year date if there is sufficient evidence to warrant an adjustment that puts you in a more protected position. These adjustments would generally be in relation to manager changes or allocation modifications.

**Re-Balancing:** Regular re-alignment and manager replacement transactions are executed as soon as feasible following the end of each quarter. Allocation modifications are not considered to be part of the regular re-balancing program.

#### **Investment Analysis**

Personal Financial Solutions, LLC's, investment Specialist, Kenneth P. LeBlanc, CFP®, utilizes several types of investment methods and sources of information. Mr. LeBlanc utilizes fundamental, technical, cyclical, and charting methods. Information is obtained from various sources including financial newspapers & magazines, rating services, annual reports, and prospectuses.

Mr. LeBlanc also attends various conferences and reads many publications which may contain other types of analysis methods not specifically identified above. Additionally, Mr. LeBlanc's conclusions are drawn from his working body of knowledge and specific circumstances within the current environment. Mr. LeBlanc does not rely exclusively on any particular security analysis method.

#### **Risk of Loss**

Investing involves risks which include the risk of losing money. Additional risks to consider include: Interest Rate Risk, Liquidity Risk, Market Risk, Inflation Risk, Currency Risk, Re-investment Risk, and Business Risk. These risks cannot be fully eliminated from an invested portfolio. As such, clients wishing to invest in equities and/or fixed income must be willing to bear the risks, including the risk of losing money.

#### **Retirement Plan Rollovers**

Depending on a client's given circumstances, Personal Financial Solutions, LLC may recommend that a client rollover retirement plan assets to an Individual Retirement Account (IRA) managed by us. As a result of a rollover, Personal Financial Solutions, LLC may earn fees on those accounts. This presents a conflict of interest, as

Personal Financial Solutions, LLC has a financial incentive to recommend that a client roll over retirement assets into an IRA we will manage. This conflict is disclosed to clients verbally and in this brochure. Clients are also advised that they are under no obligation to implement the recommendation to roll over retirement plan assets. Personal Financial Solutions, LLC attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and • Give you basic information about conflicts of interest.

### ***Disciplinary Information***

Personal Financial Solutions, LLC, has not been the subject of any disciplinary or legal actions or proceedings required to be disclosed since the firm's inception.

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

Kenneth P LeBlanc, CFP® is a one third owner-member of another New Jersey Registered Investment Advisory Firm, KML Financial Services Group, LLC. He spends 50% of his time tending to the business of each firm.

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

#### **Code of Ethics**

As a fiduciary Personal Financial Solutions, LLC has a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their financial futures, which in turn places a high standard on our conduct and integrity. Accordingly, Personal Financial Solutions, LLC, has adopted a Code of Ethics designed to be in alignment with the Code of Ethics and Professional Responsibility set forth by the Certified Financial Planner Board of Standards, Inc.

The Code of Ethics requires all employees to act in the best interests of each client. The Interest of the client must be placed ahead of Personal Financial Solutions, LLC's, or any of its employees at all times.

Clients and prospective clients are encouraged to request a copy of Personal Financial Solutions, LLC's Code of Ethics at any time by calling our office at 732-722-7912.

### **Securities with Material Financial Interest**

Personal Financial Solutions, LLC, does not recommend any securities or otherwise in which any owner, employee or related person has a material financial interest.

### **Investment Security Conflicts of Interest**

The members and employees of Personal Financial Solutions, LLC, may purchase, hold, and sell for their own personal accounts the same securities that are recommended and utilized for clients of the firm. Investment decisions are based upon their personal goals and risk levels, the same as for clients of the firm. Accordingly, there are no conflicts of interest. The client's best interest is always in mind as highlighted in our code of ethics.

## ***Brokerage Practices***

Personal Financial Solutions, LLC, custodies all client assets with Charles Schwab & Co. Inc. with the following exceptions: held-away self-directed retirement plan assets, held-away IRA or brokerage account assets, and held-away 529 plan assets. We have a long-standing relationship with Charles Schwab & Co., Inc. that makes for a beneficial relationship for our clients.

Through Schwab's Institutional Services Group certain products and services are made available to us and our clients that are not available to retail investors. The bottom line is that we utilize Charles Schwab because we believe it is the best place to hold our clients assets due, especially, to their vast mutual fund platform. Additionally, the fees assessed by Charles Schwab to our clients for certain transactions are well within reason as compared to the industry. Personal Financial Solutions, LLC, receives no direct compensation from Charles Schwab & Co., Inc., but does receive use of certain of Schwab's technology, consultations, and third party research & services at reduced or no cost.

Personal Financial Solutions, LLC, does not compensate any person or entity for client referrals.

Personal Financial Solutions, LLC, does not engage in directed brokerage situations.

## ***Review of Accounts***

All investment management clients are reviewed at least quarterly by Personal Financial Solutions, LLC's, investment specialist Kenneth P. LeBlanc, CFP®. Clients receive a comprehensive quarterly report that includes a detailed listing of positions, overall performance and individual asset performance analysis, current versus target allocation comparisons, allocation changes if any, and detailed invoice. The quarterly analysis includes a review of the allocation, the individual holdings, pending distributions/contributions, and the current market conditions/cycles.

While quarterly reviews occur automatically, periodic reviews are conducted on an as needed or as requested basis for such things as a material change in financial condition, employment status, deposit/withdrawal, as well as other items.

In addition to quarterly reports issued by Personal Financial Solutions, LLC, each client account will receive a statement from the custodian at least quarterly (usually monthly but can be dependent on the type of account and amount of activity).

With regard to financial plans – they are updated on an as needed basis on a client by client basis.

### ***Client Referrals and Other Compensation***

Personal Financial Solutions, LLC, does not receive compensation from third parties and does not compensate third parties for client referrals. Personal Financial Solutions, LLC, does not receive nor provide compensation for client referrals.

### ***Custody***

While Personal Financial Solutions, LLC, does not have custody of client assets, Personal Financial Solutions, LLC, does provide quarterly investment management reports to clients. Clients will also receive a monthly (or at least quarterly) account statement from their custodian. To address any potential conflicts with this practice, and notwithstanding that Personal Financial Solutions, LLC, is deemed not to have custody of clients' assets under the Custody Rule, Personal Financial Solutions, LLC, recommends that clients compare the report sent by Personal Financial Solutions, LLC, to the statement provided by the custodian.

### ***Investment Discretion***

Personal Financial Solutions, LLC, maintains client assets in accounts (other than certain held-away accounts, self-directed 401k plans, and certain 529 plans) that authorize and allow for a discretionary relationship. However, Personal Financial Solutions, LLC, chooses to utilize this authority on a limited re-balancing and security selection basis only within a predetermined allocation strategy. Personal Financial Solutions, LLC, provides each client with an ongoing Investment Policy Statement as part of their quarterly report – any changes are identified and agreed upon prior to execution.

### ***Voting Client Securities***

As a matter of policy and practice Personal Financial Solutions, LLC, does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting for any and all securities maintained in client portfolios.

### ***Financial Information***

Personal Financial Solutions, LLC, does not have a financial commitment or condition that would impair its ability to discharge its fiduciary duties to clients.