

## Plenty Financial RIA, LLC

### Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

**March 2023**

This “**Brochure**” provides information about the qualifications and business practices of Plenty Financial RIA, LLC. (hereinafter “**Plenty**,” “**we**,” “**us**,” “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Emily Luk, by email at [compliance@withplenty.com](mailto:compliance@withplenty.com). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that Plenty or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Plenty is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

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This Brochure is Plenty's annual amendment to the Form ADV Part 2A. There have been no material changes since the initial filing made in November 2022. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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**Item 4: Advisory Business**

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Plenty Financial RIA, LLC. (hereinafter “**Plenty**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) is organized as a Delaware limited liability company with a principal place of business in San Francisco, CA. Plenty is principally owned by Plenty Financial, Inc. which is principally owned by Emily Luk and Christopher Allen.

Plenty was founded to democratize access to financial products and tools that accelerate wealth building. Plenty Financial, Inc. provides an interactive web-based personal financial management and educational platform to consumers; some of these tools are freely accessible to all consumers, others require a fee-based subscription. Wholly owned subsidiary Plenty Financial RIA, LLC leverages industry-leading technology to provide advisory services (“Advisory Services” or “Services”) in the form of software-first financial planning and investment advisory services for Subscribers (“Subscribers” or “Clients”). Our investment advice guidelines are discretionary and available to our Subscribers via ongoing fee-based subscription.

**Program Description**

This Wrap Fee Program Brochure is provided to help clients understand the nature of the services offered by the Firm, whether the services offered by Plenty are right for the client, and the potential conflicts of interest associated with the client’s participation in the Plenty Wrap Fee Program.

Clients should review this Wrap Fee Program Brochure carefully. The discretionary investment management services are offered through a wrap fee program (the “Plenty Wrap Fee Program”) described herein.

Plenty Financial, Inc. provides interactive educational financial planning tools to help individuals and couples create their own goals-based financial plan. Plenty collects information about a client’s age, family, financial condition, employment status, investment goals/objectives, time horizon, and risk tolerance exclusively through an interactive website. Clients are then guided through estimates of their financial goals and given the ability to use an interactive tool to understand the impact of different saving and investment plans for each of their goals. Once an individual has made a decision to move forward with a given plan, Plenty recommends some investment options including money-market funds or an algorithm-generated stock/bond portfolio provided through their sub-adviser, Helium Advisors LLC (“Helium”). Client’s investment objectives, financial profile, and risk tolerance impact the options clients are initially shown, though a client may override recommendations at any point. Once a client decides to move forward, investment accounts are provided by the sub-adviser.

Client accounts will be managed at the sole discretion of the clients and Helium’s software will monitor clients’ accounts portfolio on an ongoing basis and periodically rebalance as required by changes in market conditions, additions, or withdrawals in the client account and or a change in client’s financial circumstances.

In general, wrap fee programs allow clients to pay a single fee (the “Wrap Fee”) which covers advisory fees, trading commissions, fees for brokerage and other administrative and advisory services provided by an investment adviser or the custodian. Clients are generally not charged separate fees for each component of the total services. Because wrap fee program advisers

typically absorb client transaction fees, an incentive exists to limit trading activities in the wrap fee account. Depending on the wrap fee account, clients may also pay more for using a wrap fee program than they would for using non-wrap fee program services.

**Types of Advisory Services and Investment Strategy**

Plenty provides interactive web-based financial planning and educational tools that allow individuals to visually see the impact of different investing and savings plans. Clients are given options between money market accounts or stock and bond portfolios, and the ability to see the impact on risk and return. These stock and bond portfolio recommendations are made through Plenty's subadvisor, Helium Advisors LLC, uses proprietary algorithmic-based technology to provide discretionary asset management services through a web application.

Clients are also permitted to choose between the stock and bond model portfolios recommended by the Firm's sub-advisor and to customize such portfolios. A client may update his or her risk profile at any time by updating the risk responses accessible through a client's account online. Client assets are used to purchase the securities that align to the client's corresponding target asset allocation within the recommended portfolio or client selected portfolio.

Investment services provided by Plenty and its sub advisory partner are designed to encourage higher rates of saving and investing in non-retirement and retirement accounts. At user onboarding, individual clients undergo a financial situation review and risk assessment. Clients may optionally provide values-preferences that lead to the inclusion / exclusion of different companies or industries in their portfolios. Clients have the option to additionally create individual investment goals with unique time horizons, risk tolerance, and liquidity needs that lead to the programmatic curation of a custom investment portfolio for each goal. For all investment portfolios, clients may choose to override the algorithm-based portfolios.

**Fees and Compensation**

The fees applicable to Clients are set forth in detail in each membership agreement. A brief summary of such fees is provided below.

***Advisory Fees***

Plenty's clients pay a combination of:

- a) Subscription fee ("Subscription Fee") to Plenty Financial, Inc.
- b) Wrap Fee based on amount of Assets under Management ("AUM") in your account

The Subscription Fees range from \$10 monthly to \$25 monthly with a discount for quarterly or annual packages. The asset-based wrap fees will range from 0.10% to 0.50% of AUM. The Subscription Fee provides access to the personal financial management tools and financial educational tools and is collected by Plenty Financial, Inc. The wrap fee is collected by Plenty Financial RIA's sub-adviser, Helium. The wrap fee is based on the amount of assets in your account. As a general matter, the more money you invest with us the more fees you will pay; therefore, we have an incentive to encourage you to increase your assets in your account. The annual wrap fee includes investment advisory services (portfolio construction, rebalancing, and automated tax-loss harvesting<sup>1</sup>), custody services and brokerage commissions, therefore is higher than a typical asset-based advisory fee.

<sup>1</sup> Automated tax-loss harvesting will be executed by our subadvisor Helium Advisors LLC, as it is a standard part of their offering.

Plenty reserves the right to waive or modify the Subscription Fee for any Subscriber, at its sole discretion.

### ***Other Types of Fees or Expenses***

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Plenty may charge additional fees to Clients for specifically requested services or irregular occurrences that are not included in the wrap fee program. [All such fees are outlined in the Advisory Agreement].

- **Personal Financial Management and Education Platform:** Plenty Financial, Inc. provides an interactive financial planning and educational web platform to Clients to link their external accounts and see their financial lives in a single place. The tools enable individuals to explore potential future financial scenarios including having children, retirement, getting married, college funding and purchasing a home, and provide investment related services for reaching their goals. The software-first experience enables individuals to forego a traditional interview-based onboarding experience. Clients are empowered with the tools to understand the financial consequences of different decisions, and given the ability to create their own plans to reach their financial goals. Clients choose to implement decisions entirely at their own discretion, and should consult with tax or financial advisors if there are additional personal circumstances that are not captured by Plenty's platform. While the data used in financial models is believed to be reliable, Plenty cannot ensure the accuracy or completeness of data provided by third parties or clients.

### **Item 5: Types of Clients**

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Plenty is an internet-only advisory firm that uses a software-first approach to support individuals in financial planning and investment decisions.

Our investment advisory subscribers, as mentioned in Item 4 above, undergo verification to confirm that they are natural persons who are:

- 1) Legal US Residents
- 2) Maintain and link a verified funding source with a US bank or financial institution to their Plenty Account
- 3) Pass identify verification protocols

The minimum account size is \$100.

Clients may choose to open joint accounts with another individual; additional identity verification is completed upon doing so.

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**Item 6: Portfolio Manager Selection and Evaluation**

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**Selecting/Reviewing Portfolio Manager**

We partner with Helium Advisors LLC as our sub-advisor. We do not engage additional external portfolio managers.

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

We do not accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client. Furthermore, we do not manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

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

Plenty provides investment services through a website. This entails the use of a sub-advisor provided algorithm-based portfolio and digital services, rather than in-person investment services. These automated investment solutions are customized to each client and based on individual characteristics, such as the client's age, risk tolerance, income, and current assets, among others. Clients are encouraged to update their account with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the algorithmic based portfolio introductions.

The descriptions set forth in this Brochure of specific advisory services that we offer to Subscribers, should not be understood to limit in any way our activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate. The investment strategies we pursue are speculative and entail substantial risks. Subscribers should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Subscriber will be achieved.

***Risk Management***

The firm focuses on diversification, limited exposure, position sizing, and management to mitigate risk on posted trade services, and for general portfolio guidelines. Plenty collects information about a client's investment time horizon, risk preferences and investment goal size.

***Risk of Loss***

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. The investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**Market Risk:** The risk that the price of a security, bond, or Fund may change in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors, independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

**Advisory Risk:** Clients who choose to implement Plenty's investment services are not guaranteed investment performance. There is no guarantee that Plenty's services will be successful. Further, Plenty, through our sub-advisor, recommends stock and bond investment portfolios. While the third-party sub-advisor partner has been vetted, there can be no assurance that services generated will be profitable.

**Software Risk:** Plenty's services are delivered entirely through software. While all software is tested and vetted before implementation, the software may not always perform as intended, especially in unusual circumstances. Internet outages, third party hacks, malware, and other events may impact Plenty's software and related services. Plenty has continuous monitoring, detection, and correction protocols to mitigate but not eliminate this risk. In addition, Plenty uses a third-party's software for investment portfolio recommendations and this exposes Plenty to third-party software risk.

**Security Selection Risk:** The risk that individual securities may decline in value due to negative news or fundamental developments specific to the issuer. The rationale for selecting the security either may not be correct or the market may not recognize the value.

**Stock Investments:** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. In addition, stock investments are subject to risk related to market capitalization as well as company-specific risk.

**ETF Risks:** Shares of an ETF may trade on an exchange at prices at, above, or below their most recent NAV. The NAV represents the value of each share's portion of the ETF's underlying assets and cash at the end of the trading day. The per-share NAV of an ETF is calculated at the end of each business day. The trading prices of an ETF's shares fluctuate continuously throughout the trading day based on market supply and demand, which may not correlate to NAV. The trading prices of an ETF's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the ETF's shares trading at a premium or discount to NAV. Investment policies, management fees and other information can be found in the individual ETF's prospectus. Please read the prospectus carefully before you invest. Investors should consider the investment objectives, risks, charges and expenses of each ETF carefully before investing. This and other information are contained in each ETF's prospectus, which may be obtained by visiting the ETF sponsor's website. Please read each prospectus carefully before you invest.

**Volatility Risk:** Plenty's investment services rely upon historical securities data; past performance is no guarantee of future results and any historical returns, expected returns, or probability projections may not reflect actual future performance.

**Tax and Regulatory Risk:** Performance of investments may be impacted by government legislation or regulation including, changes in securities trading regulation, changes in the tax code, changes in tax reporting, and changes in income characterization.

**Liquidity Risk:** The risk that an investor will be unable to buy or sell a security at a reasonable price at a certain point in time. This may occur if there is a limited quantity available or only a few market makers willing to trade. For example, U.S. Treasuries are quite liquid, while an equity security subject to a regulatory halt would be illiquid.

**Inflation Risk:** The risk that the value of a dollar will not be worth as much as anticipated. That is, inflation will be higher than expected.

**Values Based Investing Risk:** Clients who choose to modify their investment portfolios for the explicit inclusion or exclusion of specific companies or industries may result in lower returns compared to non-modified portfolios.

Clients will have tax risk exposure if there are future changes in taxation legislation that impact their net returns.

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**Item 7: Client Information Provided to the Portfolio Managers**

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At account opening, clients provide their age, financial condition, employment status, investment objectives, time horizon, and risk tolerance, Plenty's *goal based financial planning software enables clients to create a saving and investing plan that enables them to meet their goals. Should they choose to invest with Plenty, clients have the option of money market accounts or stock and bond based portfolios. These stock and bond portfolios are provided by Plenty's subadvisor's* algorithm which constructs, revises, and recommends portfolios with target asset allocations. Client accounts will be managed in accordance with their risk profile and Helium Advisors LLC will use its internal algorithm to monitor each client's account performance on an ongoing basis and rebalance the portfolio as required by changes in market conditions. On a periodic basis, Plenty asks clients to update their profile.

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

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We provide our investment services exclusively through the website. You may contact the web application's customer service during normal business hours for technical assistance or to answer any questions regarding your account

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**Item 9: Additional Information**

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**Disciplinary Information**

There are no legal or disciplinary events that are material to a Subscriber's evaluation of our advisory business or the integrity of our management.

**Other Financial Industry Activities and Affiliations**

Neither the Firm nor any of its management persons are registered, and do not have an application pending for registration, as a broker-dealer, broker-dealer representative, futures commission merchant, commodity pool operator, commodity pool trading adviser, or an associated person of the foregoing entities.

**Code of Ethics**

Plenty has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Plenty's Code of Ethics is available free upon request to any client or prospective client.

**Review of Accounts**

Our Firm Management continuously monitor and analyse the research we provide to ensure that it conforms with the internal guidelines of each Subscriber's membership agreement.

**Voting Client Securities**

Plenty will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

**Client Referrals and Other Compensation**

We do not receive economic benefits from non-Subscribers for providing investment advice and other advisory services. Neither we, nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for Subscribers referrals.

- **Promotions:** Plenty Financial RIA, LLC has periodic promotions for technology products, fee waivers on management fees, or reduced management fees. Client referrals, or other referral arrangements as outlined below may, from time to time, be combined with promotional offers. Any combination of benefit and promotional items will not result in a Client paying a higher advisory fee. Plenty Financial RIA, LLC will disclose the terms of the promotional offers to Clients at the time of the offer.
- **Referrals:** Plenty Financial RIA, LLC may offer free subscription months for existing subscribers who refer new clients. From time to time, Plenty Financial Inc, may also offer other incentives for client referrals. Plenty Financial Inc will disclose the details of those incentives to existing and referred Clients at the time of the offer. Prospective clients that are referred by existing Clients should be aware that the referring Client will receive an economic benefit for making the referral. The free advisory Services awarded or any other incentive provided does not increase the fees or costs for the referring or referred Client. Referral arrangements create an incentive for third parties and existing Clients to recommend Plenty over other similar advisers which may have lower fees.
- **Affiliate Marketing Program:** Plenty Financial RIA, LLC offers an affiliate marketing program for web-based authors and participates in co-registration agreements, where the participants ("affiliate" or "affiliates") are compensated for each person who uses the affiliates' webpages to register with Plenty and create a financial profile. These affiliates are eligible for compensation even if the referred person does not become an advisory Client. As a result of these arrangement, affiliates will financially benefit from referring users to Plenty Financial RIA, LLC. This creates a conflict of interest and incentivizes affiliates to present content favorable to Plenty Financial, Inc. because of the compensation structure of the affiliate marketing program.
- **Other Referral Arrangements:** Plenty Financial RIA, LLC enters into referral agreements with third parties who refer prospective clients to Plenty ("Referrer" or "Referrers") under which Referrers may receive compensation for each individual who creates a Plenty financial profile. Individuals referred by Referrers may also be given a promotional offer for a waiver on management fees or a waiver on subscription fees for a given time period.
- **Testimonials and Endorsements:** Plenty Financial RIA, LLC enters into agreements with Clients and non-Client Third Parties ("Promoters") to provide testimonials or endorsements of our Advisory Services. Any advertisement that displays a testimonial or endorsement provided by a promoter will disclose clearly and prominently whether the Promoter i) is a Client of Plenty Financial RIA, LLC, ii) is paid or unpaid, and iii) creates any other material conflict of interest. If the promoter is paid, Plenty Financial

RIA, LLC confirms that the Promoter is not disqualified under Federal Securities Laws and discloses the compensation.

Individuals who become Clients as a result of our various referral programs acknowledge in our client agreement that they have reviewed, read, and understood Plenty Financial RIA, LLC's disclosures and Form ADV.

**Financial Information**

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 provide a balance sheet.

We have not been the subject of a bankruptcy petition at any time during the past ten years, and we do not have any financial circumstances that would impair our ability to meet our contractual responsibilities to our clients.