

**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of Matrix Planning, Incorporated. If you have any questions about the contents of this brochure, please contact us at 310.399.0457 or [rjs@matrixplanning.com](mailto:rjs@matrixplanning.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Matrix Planning, Incorporated also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 110812.

## **Item 2     Material Changes**

There have been no material changes to our Disclosure Brochure since our last filing on March 31, 2022.

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## **Item 4     Advisory Business**

Matrix Planning, Incorporated is a SEC-registered investment adviser with its principal place of business located in Santa Monica, California. Matrix Planning, Incorporated began conducting business in 1986. Ms. Roberta Jean Smith is the firm's President and principal shareholder.

Matrix Planning, Incorporated offers the following advisory services to our clients:

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal financial plan with an allocation model and create and manage a portfolio based on that model. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships and limited liability companies investing in real estate
- Interests in partnerships and limited liability companies investing in oil and gas interests
- Interests in partnerships and limited liability companies investing in venture capital.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to project future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law. Where necessary, we work with the client's estate planning attorney(s) to complete the analysis.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All financial planning recommendations are of a generic nature.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2022, we were actively managing \$ 53,750,372 of clients' assets on a discretionary basis plus \$ 56,772,600 of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Clients are invoiced in arrears at the end of each month based upon a monthly retainer negotiated by the Company and the client. **If payment for services rendered is not received within 60 days after billing, a One and One Half Percent (1.5%) late fee is added to the outstanding balance, monthly until payment is received.**

Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific monthly fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the monthly fee.

### **FINANCIAL PLANNING FEES**

Matrix Planning, Incorporated's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

The planning fees are paid in three different installments: one-third upon signing of the engagement letter; one-third after a preliminary discussion memorandum and meeting; and the last third upon completion of the services.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of thirty days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

***Mutual Fund Fees:*** Matrix Planning does not as a rule recommend Mutual Funds. If a client holds these assets prior to becoming a client of the firm, Matrix Planning will provide advice related to those funds if the client so requests. All fees paid to Matrix Planning, Incorporated for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the client should review both

the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Matrix Planning, Incorporated does not charge performance-based fees.

## **Item 7 Types of Clients**

Matrix Planning, Incorporated provides advisory services to the following types of clients:

- High net worth individuals or trustees or beneficiaries of trusts
- Charitable organizations

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Asset Allocation.** Closely related to securities selection, we allocate a client's holdings between financial and real assets and attempt to identify an appropriate mix of stock, fixed income, cash, real estate, oil and gas, and venture capital suitable to the client's investment goals and risk tolerance. By allocating between financial and real assets, Matrix Planning attempts to build diversified portfolios that mitigate severe downturns resulting from systemic risk. The asset allocation is built upon sharing ratios among negatively or uncorrelated asset

classes.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the optimal allocation may change over time due to market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Risk of Loss.** Securities investments are not guaranteed and the client may lose money on their investments. We ask that the client work with us to help us understand their tolerance for risk.



## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

### ***Other pooled investment vehicle(s):***

Management personnel of Matrix Planning, Incorporated may also be managing member(s) of limited liability companies (LLCs) formed so our clients may invest in what are referred to as "alternative investments". As appropriate, our advisory clients may be solicited to invest in such LLCs. These related persons of our firm do not receive investment advisory compensation in relation to these investments, but do have a conflict of interest in soliciting client investments. From time-to-time, principals of Matrix Planning, Incorporated, may assume direct management roles in the underlying investments such as serving as an officer of the company or on the Board of Directors. Acting in these additional roles, a principal of Matrix Planning may receive stock options in the company; however, no direct payment of salary or fees is accepted. In such cases, the receipt of stock options would create a conflict of interest.

Because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Related persons of our firm may spend as much as 20% of their time on these related activities.

A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

Clients interested in investing in the limited liability company should refer to the company's private placement memorandum for more information specific to the company.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Matrix Planning, Incorporated and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities

transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement and recordkeeping provisions.

Matrix Planning, Incorporated's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [rjs@matrixplanning.com](mailto:rjs@matrixplanning.com), or by calling us at 310.399.0457.

Matrix Planning, Incorporated and individuals associated with our firm are prohibited from engaging in principal transactions.

Matrix Planning, Incorporated and individuals associated with our firm are prohibited from engaging in agency cross transactions.

A principal of Matrix Planning, Incorporated serves as a manager or co-manager of certain limited liability companies formed to facilitate client investments in "alternative" investments such as real estate or venture capital. Principal of Matrix Planning, Incorporated will devote to these LLC's as much time as deemed necessary and appropriate to manage their business. Principals of Matrix Planning are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the LLC's and/or may involve substantial time and resources of our firm. Such activities would create a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the business of the LLC's, but could be allocated between the business of the LLC's and other of our business activities.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 Brokerage Practices**

Matrix Planning does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Matrix Planning as to the broker-dealer to be used.

Matrix Planning, requests that clients direct us to place trades through TD Ameritrade Institutional (collectively "Brokers"), however does not require that clients do so. Clients are free to direct us to place trades with any qualified broker, provided that Matrix Planning has been granted appropriate access to the clients account sufficient to perform its duties under the advisory agreement between Matrix Planning and the client. Matrix Planning has evaluated the Brokers and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than the Brokers if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of the Brokers or another broker, it should be understood that Matrix Planning will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients who may direct the use of another broker.

Clients should note, while Matrix Planning has a reasonable belief that the Brokers are able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer.

As a matter of policy and practice, Matrix Planning, Incorporated does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Matrix Planning, Incorporated participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Matrix Planning, Incorporated receives some benefits from TD Ameritrade through our participation in the program.

Matrix Planning, Incorporated participates in TD Ameritrade's Institutional customer program, but we will work with selected other broker dealers as the client's request. There is no direct

link between our firm's participation in the TDA program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmation; research data and access to a trading desk serving adviser participants.

Some of the products and services made available by TD Ameritrade through the program may benefit Matrix Planning, Incorporated but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. The benefits received by Matrix Planning, Incorporated through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Matrix Planning, Incorporated or our related persons in and of itself creates a conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

## **Item 13    Review of Accounts**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Roberta Jean Smith, President

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide semi-annual reports summarizing account balances and holdings.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

It is Matrix Planning, Incorporated's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Matrix Planning, Incorporated's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in

conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

Because a principal of Matrix Planning serves as a manager or co-manager of certain limited liability companies, Matrix Planning is deemed to have custody of these assets. These LLC's are subject to annual GAAP Audits, and the audited financial statements are sent to the LLC members annually. Accordingly, no quarterly statements are provided from the custodian of these funds.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client immediately prior to each trade to obtain the client's permission. In terms of general portfolio strategy, we do discuss recommendations with the client at some point prior to execution, and we are deemed to have discretion because of the time lapse between presenting our recommendation on what to buy or sell. This discretion applies only to exchange traded securities and fixed income, not privately offered limited partnerships nor limited liability companies, nor other alternative investments.

Our discretionary authority includes the ability to do the following without contacting the client immediately prior to execution:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a limited power of attorney to trade on their brokerage account. These are standard forms provided by the broker-dealer.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18    Financial Information**

As an advisory firm, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Matrix Planning, Incorporated has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Matrix Planning, Incorporated has not been the subject of a bankruptcy petition at any time during the past ten years.