

# **Form ADV Part 2A Brochure**

**Planning Works Advisory, Inc.**

**9442 North Capital of Texas Highway**

**Plaza One, Suite 500**

**Austin, TX 78759**

**(512) 498-7526**

**[www.planningworksadvisory.com](http://www.planningworksadvisory.com)**

**August 10, 2023**

This Brochure provides information about the qualifications and business practices of Planning Works Advisory, Inc. (PWA). If you have any questions about the contents of this Brochure, please contact us at (512) 498-7526. 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.

PWA is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

## **Item 2 – Material Changes**

This Brochure dated August 10, 2023, represents an update to the Brochure for Planning Works Advisory, Inc.

Since the filing of the firm's annual update Brochure on February 24, 2023, we have added detail about how the firm calculates and charges advisory fees. We have also made various other minor updates, but no other material changes were made to the Brochure.

Pursuant to SEC Rules, we will deliver to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting us at (512) 498-7526. Additional information about PWA is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with PWA who are registered as investment adviser representatives of the firm.

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#### **Item 4 – Advisory Business**

Planning Works Advisory, Inc. (CRD # 297573) (PWA) is registered as an investment adviser with the Securities Exchange Commission. PWA is based in Texas and is organized as a corporation under the laws of the State of Texas. The firm was formed in 2021 and currently has 3 employees.

PWA's principal office and place of business is located at 9442 North Capital of Texas Highway, Plaza One, Suite 500, Austin, TX 78759. Regular business hours are Monday through Friday 8:00 am to 5:00 pm. The firm can be contacted by phone at (512) 498-7526.

The firm is owned by Mikiel Fetherston who serves as PWA's President and Chief Compliance Officer.

PWA provides ongoing discretionary and non-discretionary portfolio management services to individuals, families and businesses. When providing portfolio management services, the firm not only makes recommendations related to investments, but also implements these recommendations and provides ongoing monitoring and reporting. In some cases, the firm may delegate certain investment management responsibilities to outside managers under a sub-advisory or third party management arrangement. Clients may elect to give the firm discretion to make all decisions (discretionary management) or may prefer to approve all decisions before implementation (non-discretionary management).

PWA also provides non-management investment advisory services to individuals, families and businesses where the firm makes ongoing investment recommendations but the client is responsible for determining whether or not to implement recommendations, and if they decide to do so, are responsible for actual implementation.

Additionally, the firm provides project oriented and ongoing financial planning and consulting services to individuals and families where the firm offers advice or other strategic assistance in areas such as education funding, retirement planning, estate planning, risk management, employee benefits planning, tax planning, etc. When engaged to provide financial planning or consulting assistance, clients are responsible for determining whether or not to implement a recommendation, and if they decide to do so, are responsible for implementation. The details of an engagement vary on a case by case basis depending on the complexity of the client's financial situation. Generally however, an engagement involves identification of goals and objectives, collection and analysis of data, formulation of a strategy, and in some cases, preparation of a written plan.

PWA also provides retirement plan services to businesses which may include plan level services such as discretionary management services, non-discretionary management services, and

investment advisory services related to different types of retirement plans. When providing management services, the firm is responsible for implementing recommendations. When the firm is providing advisory services, the client is responsible for implementation of recommendations.

Regardless of the services provided, each is tailored to the individual needs of a particular client (whether an individual, a family, or a business) through an assessment conducted prior to an engagement. Clients may impose restrictions related to the level of discretion granted, the types of investments used, etc. Terms of an actual engagement, including description of service, limitations and restrictions, fees, etc., are all detailed before any engagement begins in a written client agreement.

PWA does not provide a “wrap fee” program, although some managers to whom PWA delegates may do so. Information about such programs is detailed in the applicable manager’s disclosure brochure.

As of December 31, 2022, the firm managed \$137,647,666 in client assets, \$127,966,186 of which was managed on a discretionary basis and \$9,681,480 of which was managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Fees for PWA Services:**

#### **Portfolio Management Services**

Fees charged for discretionary and non-discretionary investment management services are negotiated prior to the engagement at a rate not to exceed 2.00%. The firm may also at its discretion impose separate fees for additional advisory or planning services provided, but such fees will be disclosed in advance.

Fees are generally calculated and charged quarterly in advance based on the quarter ending balance of assets under management at the end of the preceding quarter. Fees for partial quarters are prorated based on the number of days assets are under management. Fees are deducted directly from client accounts except in instances where alternate payment is necessary and has been approved by PWA.

Services may be terminated at any time by either party with 30 days written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will

be prorated and any unearned portion will be refunded to the client subject to the notice provision above.

All management fees paid to PWA are separate and unrelated to any fees or expenses assessed by mutual funds or exchange traded funds. Information pertaining to fund-generated fees and expenses can be found in mutual fund and exchange traded fund prospectuses. Management fees paid to PWA are also separate from any trade commission charged by an account custodian, although trade commissions may at times be paid by PWA at the firm's discretion. Fees paid to outside managers under a sub-advisory or third party manager arrangement are also separate and payable by Client, although such fees will be disclosed to Client in advance.

### **Investment Advisory Services**

Fees charged for non-management advisory services may be charged in advance or in arrears depending on the service provided. Fees are negotiated in advance at a rate not to exceed 2.00% depending on the level of complexity of the engagement. Fee rates are based on actual services provided rather than being based solely on the level of assets managed as detailed above for investment management services.

The firm's current sample fee schedule is as follows:

<b><u>Assets Under Management</u></b>	<b><u>Annual Flat Fee %</u></b>
Under \$500,000	1.85%
Under \$1.0 Million	1.65%
Under \$2.5 Million	1.40%
Under \$5.0 Million	1.30%
Under \$7.5 Million	1.20%
Under \$10 Million	1.10%
Over \$10 Million	0.90%

Fees are either deducted directly from the client account, billed to another account, or billed directly to the client, depending on the engagement.

Services may be terminated at any time by either party with 30 days written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will be prorated and any unearned fees will be refunded to the client subject to the notice provision above.

All advisory fees paid to PWA are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

## **Financial Planning and Consulting Services**

Fees charged for financial planning and consulting services are quoted in advance and charged at a fixed amount or are quoted on an hourly basis. Quoted fixed fees (not to exceed \$250,000) will be based on the complexity and level of service provided on a case by case basis. Hourly fees (not to exceed \$500 per hour) will be estimated based on the complexity and level of service provided on a case by case basis. As mentioned above, services may include planning in areas such as education funding, retirement planning, estate planning, risk management, employee benefits planning, tax planning, etc. Since each of these areas can vary in complexity depending on the complexity of the client's financial situation, cost will vary as well. Fees are negotiable depending on the circumstances of the engagement, location, etc.

Fees are generally billed directly to the client in arrears, although a portion of which may be billed in advance.

Services may be terminated at any time by either party with written notice to the other party, and fees will be prorated based on the degree to which services have been completed. Any payments made in advance will be prorated and any unearned fees will be refunded to the client subject to the notice provision above.

All financial planning fees paid to PWA are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

## **Retirement Plan Services**

Fees charged for retirement plan services may be charged in advance or in arrears depending on the service provided. Fees may be fixed or asset based (not to exceed 1.50% annually), and are negotiable depending on the complexity of the service. Fee levels (whether fixed or asset based) are primarily based on actual services to be provided.

Fees are generally due quarterly, and depending on the engagement, may be deducted directly at the plan level, may be deducted from individual plan participant accounts, may be billed to the plan sponsor, or may be billed to a plan administrator at the request of the plan sponsor.

Services may be terminated at any time by either party with 30 days written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will be prorated and any unearned fees will be refunded to the client subject to the notice provision above.

All retirement plan fees paid to PWA are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

### **Commissionable Securities Sales:**

Some affiliated persons of PWA may also be registered representatives of Calton & Associates, Inc., a securities broker-dealer and member of the Financial Industry Regulatory Authority, Inc. (FINRA). As such, these individuals, in their separate capacities as registered representatives, will be able to effect securities transactions and will receive separate customary compensation for effecting any securities transactions. They may also from time to time receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. They do not however receive these fees for investments placed in accounts which PWA manages.

While PWA will endeavor at all times to put the interest of clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation creates a conflict of interest and may affect the judgment of individuals who make recommendations. We believe however that our recommendations are in the best interests of our clients and are consistent with our clients' needs. Our clients are under no obligation to purchase products through our associated persons.

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

PWA does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), and consequently does not simultaneously manage performance based and non-performance based accounts.

### **Item 7 – Types of Clients**

PWA provides services to the following types of clients:

- Individuals and High Net Worth Individuals
- Trusts, Estates or Charitable Organizations
- Pension and Profit-Sharing Plans
- Corporations, Limited Liability Companies and/or Other Business Types



Our minimum initial account value is \$50,000; however, we may accept accounts for less than the minimum.

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

PWA's general investment strategy, consistent with the tenets of modern portfolio theory, is to attempt to reduce risk and volatility by building globally diversified portfolios. To implement this strategy, PWA primarily uses fundamental security methods of analysis, as well as market trend and economic cycle analysis. While mutual funds and exchange traded funds are the primary investment vehicles used in or recommended for client accounts, we may also use or recommend various other investment vehicles in the implementation of our strategies, including long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), margin and options.

Investing in securities involves risk of loss that clients should be prepared to bear. Such risks include market risk, interest rate risk, currency risk, and political risk, and loss of capital, among others. Additionally, certain trading strategies can affect investment performance through increased brokerage and other transactions. Each client's propensity for risk however is thoroughly evaluated, documented, and considered throughout the portfolio implementation process.

Although PWA intends to manage risk through the careful selection of investments, no investment strategy can assure a profit or avoid a loss.

Information about strategies and method employed by outside managers, as well as their associated risks, are detailed in the applicable manager's disclosure brochure which is available upon request.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management. PWA is currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

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

Some affiliated persons of PWA may also be registered representatives of Calton & Associates, Inc., a securities broker-dealer and member of the Financial Industry Regulatory Authority, Inc. (FINRA). As such, these individuals, in their separate capacities as registered representatives, will be able to effect securities transactions and will receive separate customary compensation for effecting any securities transactions. They may also from time to time receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. They do not however receive these fees for investments placed in accounts which PWA manages.

PWA and or its associated persons may also separately offer clients advice or recommendations related to insurance products. Some associated persons of PWA are licensed insurance agents and may represent various insurance companies and insurance platform providers. Some insurance products placed through associated persons will generate standard and customary insurance commissions and other compensation, a portion of which may be received by associated persons of PWA.

While PWA will endeavor at all times to put the interest of clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation creates a conflict of interest and may affect the judgment of individuals who make recommendations. We believe however that our recommendations are in the best interests of our clients and are consistent with our clients' needs. Our clients are under no obligation to purchase products recommended by our associated persons or to purchase products through our associated persons and we recommend that they review insurance options with their attorney, accountant, or other applicable professional.

## **Item 11 – Code of Ethics**

### **Code of Ethics**

PWA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The PWA Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and details practices for reviewing the personal securities transactions of supervised persons with access to client information. The Code also requires compliance with applicable securities laws, addresses insider trading, and details possible disciplinary measures for violations. PWA will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer.

## **Trading Conflicts of Interest**

Individuals associated with PWA are permitted to buy or sell securities for their personal accounts identical to or different than those recommended to clients. However, no person employed by PWA is allowed to favor his or her own interest over that of a client or make personal investment decisions based on the investment decisions of advisory clients.

In order to address potential conflicts of interest, PWA requires that associated persons with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. PWA also requires prior approval from the Chief Compliance Officer for investing in any IPOs or private placements (limited offerings).

## **Item 12 – Brokerage Practices**

### ***The Custodian and Brokers We Use***

We do not maintain custody of client assets. Instead, we require all client assets be maintained in an account at a non affiliated “qualified custodian,” generally a broker-dealer or bank. We are not affiliated with any particular custodian but instead all custodians are independently owned and operated. The custodian will hold your assets in a brokerage account and will be able to buy and sell securities on your behalf.

In certain instances, we may also use Calton & Associates, Inc., (Calton) a registered broker-dealer and member of FINRA, as a broker. Some of our investment adviser representatives are affiliated with Calton and may recommend securities or insurance products offered by Calton, and receive normal commissions if products are purchased through them. Thus, a conflict of interest exists between the interests of the associated persons and those of our advisory clients. However, clients are under no obligation to purchase products recommended by these associated persons or to purchase products either through these associated persons or Calton.

While we may recommend that you use a particular custodian/broker, you will ultimately decide whether to do so and will open your account with the custodian/broker by entering into an account agreement directly with one of them. We cannot actually open accounts for you, but we can assist you in opening an account at whatever custodian/broker you decide to use.

### ***How We Select Custodians and Brokers***

When recommending a custodian or broker for our clients, we consider many different factors including quality of service, types of services offered, overall capability, execution quality,

competitiveness of transaction costs, availability of investment research, reputation of the firm, and financial resources, among other things. In determining the reasonableness of a broker's compensation, we consider the overall cost to you relative to the benefits you receive, both directly and indirectly, from the broker.

#### Your Brokerage and Custody Costs

Our clients receive various services directly from our custodians. For our clients' accounts that they maintain, the custodian generally does not charge separately for custody services but instead is compensated by charging commissions or other fees on trades that it executes or trades that are executed by other brokers to and from the custodial accounts. Fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a certain level of assets at the custodian. We feel this commitment benefits you because we expect the overall rates you pay will be lower than they might be otherwise.

Since custodians often charge clients a fee for each trade that we have executed by a different broker-dealer, we have the custodians execute most trades for your account in order to minimize your trading costs.

We have determined that having the custodians execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means seeking the most favorable terms for a transaction based on all relevant factors, including those listed above.

#### Products and Services Available to Us from Brokers/Custodians

The custodians provides us and our clients with access to its institutional brokerage services like trading, custody, reporting, and related services, many of which are not typically available to retail customers. The custodians also make available various support services, some of which may help us manage or administer our clients' accounts, while others may help us manage and grow our business.

Other institutional brokerage services which benefit you directly include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through the custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

The custodians may also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the custodians' own and that of third parties. We may use this research to service all or a substantial number of our

clients' accounts, including accounts not maintained at the custodians. In addition to investment research, the custodians may also make available software and other technology that provide access to client account data, facilitates trade execution for multiple client accounts, provides pricing and other market data, facilitates payment of our fees from our clients' accounts, and assists with back-office functions, recordkeeping, and client reporting.

The custodians may also offer other services intended to help us manage and further develop our business. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from the custodians benefit us because we do not have to produce or purchase them. Of course, this may give us an incentive to recommend that you maintain your account with a particular custodian based on our interests rather than yours, which is a potential conflict of interest. We believe, however, that our recommendation of a custodian is in the best interests of our clients, and is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only us.

### **Aggregation of Transactions**

PWA may, from time to time, aggregate client orders into blocks in order to facilitate more efficient account management and execution. When aggregating orders, an average price is given to all participants in the block, or other measures are taken, in order to treat all accounts fairly.

## **Item 13 – Review of Accounts**

### **Review of Accounts**

Accounts are generally reviewed on a weekly, monthly, quarterly, or semi-annual basis, depending on the type of account. Reviews may be general in nature, addressing investment objectives, risk tolerances or asset allocations, or they may be more detailed, depending on circumstances. The level of detail of the review is generally triggered by factors such as market, political, or economic conditions, or the client's individual financial situation. Clients should notify the firm of any material personal financial changes.

Information about reviews conducted by outside managers is detailed in the applicable manager's disclosure brochure which is available upon request.

## **Regular Reports Provided to Clients**

In addition to the monthly statements and confirmations of transaction that clients receive from the custodian, PWA may provide other reports directly to the client from time to time depending on the type of engagement. Investment management clients for example may receive periodic performance related reports. Financial planning clients may receive a planning analysis but do not receive regular reports from PWA. Once financial plans have been delivered, clients do not receive reviews of their plans unless they have engaged our firm for on-going services or have scheduled a follow up consultation. Follow up consultations may require the execution of an additional agreement for services rendered.

PWA urges clients to carefully review custodial statements and compare them to the reports which we may provide.

Information about reports provided by outside managers is detailed in the applicable manager's disclosure brochure which is available upon request.

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

PWA does not compensate any outside parties for client referrals. PWA may however receive compensation for referring clients to outside managers. While PWA will endeavor at all times to put the interest of clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation creates a conflict of interest and may affect the judgment of individuals who make recommendations. We believe however that our recommendations are in the best interests of our clients and are consistent with our clients' needs. Our clients are under no obligation to retain outside managers recommended by our associated persons under a referral arrangement.

PWA does however receive economic benefits from our custodian in the form of the support products and services that are made available to us and to other independent investment advisors. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 above. The firm may also on limited occasions receive travel expense reimbursements for industry meetings related to market analysis, investment strategies, and practice management. The availability to us of these economic benefits is not based on us giving particular investment advice, such as buying or recommending particular securities for our clients. Furthermore, our representatives are required to make all investment decisions and recommendations based solely on the interests of the applicable client.

## **Item 15 – Custody**

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to help 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. You should carefully review those statements and are urged to compare the statements against reports received from PWA. When you have questions about your account statements, you should contact PWA or the qualified custodian preparing the statement.

### **Standing Letters of Authorization (“SLOA”)**

Our firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party (“SLOA”) and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of fees.

## **Item 16 – Investment Discretion**

PWA will accept discretionary authority to manage securities accounts on behalf of clients, although we will also accept non-discretionary accounts.

When granted authority to manage accounts, PWA customarily has the authority to determine which securities and the amounts that are bought or sold. Any discretionary authority accepted by PWA however is subject to the client's risk profile and investment objectives and may be limited by any other limitations provided by the client in writing. PWA may also accept discretionary authority to retain and delegate to outside managers.

PWA will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between PWA and the client, and in the written agreement with the third-party custodian.

### **Item 17 – Voting Client Securities**

PWA does not vote proxies on behalf of clients. Clients may receive proxies and other solicitations directly from their custodian or transfer agent and may contact PWA with questions.

Information about proxy voting policies employed by outside managers is detailed in the applicable manager's disclosure brochure which is available upon request.

### **Item 18 – Financial Information**

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition. For example, if the firm requires prepayment of fees for six months in advance, has custody of client funds, or has a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, it must provide financial information and make disclosures.

PWA has no financial or operating conditions which trigger such additional reporting requirements.