

# 2024 Form ADV

Enhance Today | Enrich Tomorrow

**Main Office Address** - 5438 Wade Park Blvd, Suite 310 Raleigh, NC 27607

**Main Phone Number** - 919-851-8200

**Fax Number** - 888-494-7878

**Website Address** - <http://www.financialsymmetry.com>

**Email Address** - [hgudac@financialsymmetry.com](mailto:hgudac@financialsymmetry.com)

This brochure was last updated on March 22, 2024.

This brochure provides information about the qualifications and business practices of Financial Symmetry Inc. (which may also be referred to from here forward as FSI). If you have any questions about the contents of this brochure, please contact us at 919-851-8200. 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 FSI is also 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. The CRD number for Financial Symmetry is 118443.

Registration with the SEC and other state securities authorities as a registered investment adviser does not imply a certain level of skill or training.

## Item 2: Summary of Material Changes

Under Item 4, updates to total number of clients and total assets under management.

## Item 3: Table of Contents

Item 1: Cover Page .....	1
Item 2: Summary of Material Changes .....	1
Item 3: Table of Contents .....	2
Item 4: Advisory Business .....	3
Item 5 : Fees and Compensation .....	4
Item 6: Performance-Based Fees and Side-by-Side Management .....	4
Item 7: Types of Clients .....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Item 9: Disciplinary Information .....	6
Item 10: Other Financial Industry Activities and Affiliations .....	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ....	6
Item 12: Brokerage Practices .....	6
Item 13: Review of Accounts .....	7
Item 14: Client Referrals and Other Compensation .....	7
Item 15: Custody .....	7
Item 16: Investment Discretion .....	7
Item 17: Voting Client Securities .....	7
Item 18: Financial Information .....	7

## Item 4: Advisory Business

### Our Firm's History

Financial Symmetry Inc. was formed in 2001 with the goal of providing FSI's clients with objective financial advice. Since then, we've added additional advisors and now have thirteen partners who are dedicated to the fiduciary principle that the client's best interest should remain paramount at all times.

### Our Principal Owners

The owners of FSI are Bill Ramsay, Chad Smith, Allison Berger, Will Holt, Mike Eklund, Heather Gudac, Cameron Hendricks, Grace Kvantas, Grayson Blazek, Haley Modlin, Angela Keeley-White, Darian Billingsley and Colton Tickle. All major decisions of a strategic and administrative nature for the firm are undertaken by FSI's Executive Team, which consists of our thirteen owners.

### Amount of Assets Under Advisement

As of February 29, 2024, FSI provided advice and management on approximately \$1,004,433,560 of financial assets for 760 family groups, which includes 272 with approximately \$441,923,189 on a non-discretionary basis, and 488 with approximately \$562,510,371 on a discretionary basis.

### Advisory Programs (Types of Services) Offered

FSI offers different service levels for our clients:



**Financial Planning** - We begin some of our client relationships with a Financial Planning arrangement. This planning engagement will include one or more of the following areas: Goal Planning, Cash Flow Planning, Debt Management, Risk Management, Tax Planning, and Estate Planning. The Financial Planning Services are generally delivered upon client engagement for such services, with planning issues prioritized and then addressed, either all at one time or over the course of several meetings.



**Wealth Management** - Our continuous advice relationship takes into account your entire financial situation to help you reach your goals. With this service, we maintain and update your financial plan, monitor your progress relative to your financial plan and help with cash flow management. Tax planning, tax return reviews and estate planning are provided where appropriate. These coordinated services are encompassed by our disciplined investment management of your investment portfolio.

Since your financial situation is dynamic, additional services can be added as needed:

- Tax return preparation\*
- College planning
- Social security analysis
- Medicare analysis
- Insurance analysis
- Employee benefit analysis
- Debt management advice
- Financial coaching on other financial matters



\*Tax Returns (additional cost) We complete tax returns for a number of our wealth management clients. Please discuss with your financial advisor for an estimated cost for your personal situation.



**Emerging Wealth** - For clients beginning their wealth journey who do not yet need the full suite of services included in Wealth Management. Clients are automatically upgraded to Wealth Management if managed portfolio fees rise above the then current minimum annual fee for Wealth Management.

Service includes:

- Initial one hour consultation to establish long term strategy
- Establish appropriate asset allocation range and investment strategy
- Disciplined management of your investment portfolio



**Small Business 401(k) Advice** - With this service, we serve as a Limited-Scope 3(21) Fiduciary Investment Advisor for corporate 401(k) plans. We do not have discretion over plan assets and solely provide counsel and guidance to the Plan, while maintaining a fiduciary standard-of-care. Under this service agreement, Financial Symmetry researches, evaluates and recommends plan investment choices and may provide education materials to participants as well as participant consultations if requested at our hourly rate. For the 3(21) advisor service we charge hourly with current rates ranging from \$40-\$300 per hour.

## Item 5: Fees and Compensation



**Financial Planning** - Our typical plan cost is between \$1,000–\$4,000 but may be higher depending on level of complexity. Our current hourly rates range from \$40-\$300/hour.



**Wealth Management** - Our fees are calculated as a percent of your portfolio assets according to the following table, with a minimum annual fee of \$3,600. Fees are billed quarterly in arrears based on the end of quarter value and are prorated for partial quarters.

From	To	Annual Rate
\$0.00	\$1,000,000.00	0.85%
\$1,000,000.00	\$2,000,000.00	0.70%
\$2,000,000.00	\$3,000,000.00	0.55%
\$3,000,000.00	and up	0.40%



**Emerging Wealth** - Our fees are calculated as a percent of your portfolio assets, starting at 0.85% with no minimum fee. Fees are billed quarterly in arrears based on the end of quarter value and are prorated for partial quarters. Once assets reach the minimum fee level of Wealth Management or your needs require additional services, your engagement with us will upgrade to Wealth Management.

**\*Fees may be deducted from clients' accounts where appropriate and applicable, and/or paid by personal check by the client following receipt of an invoice.**

**\*\*Fees based on the above tiered table are cumulative. Ex. \$2,000,000 would be billed at 0.85% for the first \$1,000,000 and 0.70% for the next \$1,000,000**

Some clients are under legacy rates different than the current fee schedule. In unusual circumstances, fees are negotiable.

All fees paid to FSI are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. Mutual fund and ETF expenses are generally described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee.

Clients may incur transaction fees in connection with trading of mutual fund, ETF, individual stock and bonds, which are charged by the custodian (brokerage firm holding the client's assets for safekeeping). Mutual fund and exchange traded funds (ETFs) transaction fees charged by our recommended custodian, PERSHING, LLC, generally vary from \$5 to \$25 for each purchase and sale transaction. Transaction fees from other custodians will vary and could be higher or lower. The transaction costs for stock and bond trades vary. For a discussion of our practice in recommending brokers (custodians) to our clients and negotiating brokerage fees on their behalf, please see Item 12.

## Item 6: Performance-Based Fees and Side-by-Side Management

Item 6 is inapplicable to FSI. FSI does not accept performance-based fees, nor manage accounts which impose performance-based fees, nor does FSI manage hedge funds.

## Item 7: Types of Clients



**Financial Planning** - Our typical financial planning client has one or more immediate financial questions pertaining (but not limited) to retirement, a new home purchase, the birth of a child, a new car purchase, tax savings, amounts they should be saving and/or spending, investment portfolio, college savings, insurance, and estate planning.



**Wealth Management** - Clients using our Wealth Management service are trying to balance their growing investment accounts with the many complexities that come with this situation. They may have been building wealth their entire career or just received an inheritance. This abundance of resources often brings up questions regarding tax efficiency, estate taxes, legacy planning, withdrawal strategies, and cash flow management. These clients are made up of a diverse mix of income earners and age groups. They are looking for ways to evaluate their investment needs, develop and implement optimal investment strategies, become aware of anything they may be missing, and cope with the ever-growing complexities of the financial markets.



**Emerging Wealth** - Our Emerging Wealth clients are often in the early stages of building their investment portfolio and likely to reach minimum fee for Wealth Management within five years.

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

FSI's investment committee meets monthly to discuss our Long-Term Investment Outlook and decide what criteria to use when reviewing each client's investments. FSI's investment team commits considerable research time to uncover what we feel are broad mis-pricings in the markets that can be exploited to the benefit of our clients. There are two categories that are used:

**Broad** – this determines where FSI would like to be positioned at a given time within each of our client's asset allocation ranges.

**Specific** – FSI typically will have at least a couple of themes within each asset class that we seek to take advantage of. Examples include determining the specific percentage breakdown between US and Foreign holdings, or the concentration of long-term bonds vs. short-term bonds. We regularly review these themes in light of market conditions as we do not believe that we should be rigid in our thinking – no investment is a great investment at any price.

These recommendations are then applied to each client's portfolio on an ongoing basis. Upon using our wealth management service model, each client will have ranges for their asset classes that are derived from the client's risk capacity and risk tolerance. Each client's risk preferences are a combination of the amount of their investment assets, future expected cash flows, and discussions with their FSI Advisor.

Mutual funds and exchange traded funds (ETFs) are the primary investment vehicle FSI recommends to clients.

Studies of asset class performance strongly suggest that stocks that are: (a) valued lower than their peers using certain valuation methods; (b) smaller in size; and (c) have higher profitability than their peers generally have had superior rates of return potential. Accordingly, FSI tilts the equity weighting of its portfolios toward these factors.

Based on the client situation FSI typically recommends mutual funds issued by Dimensional Fund Advisors ("DFA"), which specialize in identifying and exploiting factors like the three stock factors mentioned above in a tax and cost efficient way. DFA funds are generally only available through selected registered investment advisers. Therefore, upon the termination of FSI's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds may apply.

There are times when FSI will use investments other than mutual funds and ETFs, particularly for cash alternatives, and when someone holds investments that would incur significant taxes and/or fees (i.e. an annuity) if they were sold.

Investing in securities involve the risk of loss which FSI's clients should be prepared to bear. FSI's investment recommendations seek to limit risk through diversification and proprietary risk/return modeling.

## **Item 9: Disciplinary Information**

FSI has no legal or disciplinary events to disclose under the guidelines for such disclosure promulgated by the U.S. Securities and Exchange Commission.

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

No employee of FSI has financial industry activities or affiliations that would create a material conflict of interest.

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

FSI's fiduciary duty compels all employees to act with the utmost integrity in all of our dealings and to minimize and/or avoid any actual or perceived conflict with our clients. The interests of our clients will always be placed ahead of the firm's or any employee's own investment interests. Employees are expected to not divulge information regarding client securities holdings to any individual outside of the firm except as necessary to maintain or service a client's account or if requested by the client. Any new employees must acknowledge they have read and understand and agree to comply with the FSI compliance policy manual.

### **Personal Trading Policy**

Employees are expected to purchase or sell a security (not including mutual funds or Government obligations) for their personal accounts only after trading of that same security has been completed in client accounts. Employees are required to report non-exempt securities transactions and holdings for all accounts in which the employee has a direct or indirect beneficial ownership interest. FSI keeps reports for all personal transactions in non-exempt securities made by employees and/or copies of brokerage confirmations and statements. FSI typically verifies all trades executed within 48 hours of the trade date. Trade execution and trade verification are separate processes, and involve different team members.

Employees are encouraged to conduct their personal transactions within the following types of securities:

1. Shares of open-end mutual funds and ETFs
2. Shares of any money market fund;
3. Direct obligations of the United States Government
4. Money market instruments, including bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt.

## **Item 12: Brokerage Practices**

For general brokerage accounts, we suggest that clients hold their assets at Pershing, LLC. They have interfaces that allow us to get automated data feeds for our reporting and allow us to execute transactions through their website. Pershing, LLC provides regular account statements to each account holder. We encourage our clients to carefully review the account statements they receive from the qualified custodian, and to compare those statements to the portfolio statements our firm provides. We will also recommend that clients hold assets directly with certain other account providers including but not limited to The Capital Group which sponsors the CollegeAmerica 529 plans, insurance companies like TIAA-CREF for certain retirement accounts and Transamerica for certain low cost annuities. We regularly review the relationships between clients, custodians and the Company, striving to achieve the best balance between cost, convenience, service and flexibility. We recommend changing custodians when we feel it is appropriate. Participation in the custodians programs also provides access to certain mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

## Item 13: Review of Accounts



Account reviews are conducted regularly in response to various changes to clients' situations, such as:

1. Substantial deviation from stock allocation targets, which can be caused by
  - o Withdrawals or deposits
  - o Change in FSI's Investment outlook or global allocation model
  - o Market changes
  - o Change in preferred security's status
  - o Change in client's risk capacity and/or tolerance
2. Change in client's personal situation such as
  - o Change in financial goals
  - o Change in employment
  - o Significant life event such as marriage, divorce, death or inheritance

Account reviews are also conducted at anytime upon request by client.

Client portfolio reviews will be conducted by FSI's Portfolio Management team, which consists of CFP(R) professionals and FSI portfolio managers at least annually if the above conditions have not been triggered in the prior twelve months.

FSI provides summaries and details of a client's portfolio on our online Client Center. Clients may also choose to receive paper or electronic summary reports on an adhoc or scheduled basis.

## Item 14: Client Referrals and Other Compensation

FSI has a referral arrangement with Wealthramp which provides for Wealthramp to receive a percentage of revenue received by FSI for clients referred to FSI by Wealthramp. Clients referred by Wealthramp pay FSI the same fee rates as clients not referred by Wealthramp.

FSI team members will occasionally attend conferences paid for by mutual fund houses to further their understanding of the research process behind the operation. These occasions give FSI the opportunity to investigate the business of the specific fund family and also gain insight to investment styles of individual managers. This is done infrequently to minimize conflicts of interest.

## Item 15: Custody

FSI engages in practices on behalf of it's clients that require disclosure at the Custody section of Part 1 of Form ADV. Because of this, FSI will be subject to a surprise independent third party CPA audit annually.

FSI does not have the authority to execute withdrawals or transfers without client's prior consent nor change beneficiary designations or ownership on account(s) without client's written consent and signed agreement. FSI shall provide accounting for all transactions performed if client requests or if an authorized personal representative or fiduciary acting on client's behalf makes such a request. The client may revoke this agreement at any time by providing written notice to FSI.

With a client's consent, FSI may be provided with the authority to seek deduction of FSI's fees from a client's accounts; this process generally is more efficient for both the client and the investment adviser.

## Item 16: Investment Discretion

FSI manages client portfolios on either discretionary or non-discretionary basis as chosen by clients. While most clients choose discretionary management, there are limited cases where FSI will make discretionary changes for non-discretionary agreements such as sales to cover checks written by clients, for management fees due and electronic debits submitted. All portfolios under our Emerging Wealth service are managed on a discretionary basis.

## Item 17: Voting Client Securities

As a matter of firm policy and practice, FSI does not accept authority to vote proxies on behalf of clients.

## Item 18: Financial Information

FSI does not solicit the prepayment of client fees. Additionally, FSI has never been the subject of a bankruptcy proceeding.