



*Wheat † Givens Financial*  
*Financial Planning and Investment Management*

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## **Wrap Fee Program Brochure**

June 2021

This wrap fee program brochure provides information about the qualifications and business practices of Wheat-Givens Financial, LLC. If you have any questions about the contents of this brochure, please contact us at 214.385.2415 or [pdwheat@wheatgivens.com](mailto:pdwheat@wheatgivens.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 Wheat-Givens Financial, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2: Material Changes**

The last annual update to this brochure was filed on 3/30/2021. Since the last filing, the following material changes have occurred:

- June 2021 – Wheat Givens Financial has applied for registration with the Securities and Exchange Commission. Once the application is approved, WGF will withdraw their registration as a State Registered Investment Advisor with the State of Texas.

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## **Item 4: Services, Fees and Compensation**

Wheat-Givens Financial, LLC (herein after referred to as “WGF” or the “Firm”) provides Investment Advisory Services for individuals and for company retirement plans. In connection with making investment recommendations to clients, the Firm utilizes a combination of; Modern Portfolio Theory Method and Strategy, Asset Allocation Theory Method and Strategy and Dollar Cost Averaging Method and Strategy. See more on these methods in Item 6.

Wheat-Givens Financial, LLC offers its Advisory Services through the Wheat-Givens Financial, LLC Wrap Fee Program (herein after referred to as the “Program”) where it serves as the Program’s sponsor. Phil D. Wheat (herein after referred to as the “Advisor”) serves as the Program’s sole Portfolio Manager. The Program is fee based (see schedule below). The Firm retains between 90% and 93% of the Program’s total fees as its portfolio management fee. Clients do not incur separate brokerage commissions.

The basic fee schedule has tapered asset-based fees charged quarterly in advance as follows:

Fees per household will not exceed the following maximums:

- 0.25% per calendar quarter (1.00% annualized) up to and including \$500,000
- 0.125% per calendar quarter (0.50% annualized) for amounts in the household accounts above \$500,000

Alternatively, a different fee schedule may be negotiated between the Firm and the client. Fees shall be deducted from the client’s Wrap Fee Account on a quarterly basis, unless otherwise instructed by the client.

There is no minimum annual fee per account.

The Wheat-Givens Financial, LLC Wrap Fee Program fees are computed and payable quarterly in advance during the first month of each calendar quarter and will be calculated based on the market value of the client account assets held on the last day of the prior quarter. Clients will be charged their first fee at the start of the first calendar quarter after their initial deposit. If the account is terminated prior to the end of a quarter, the fee for that quarter will be prorated for the number of days the account was open during that quarter and any overpayment, will be returned to the client following the closing of the account.

The Firm selects mutual funds by criteria, such as past total return performance as well as risk, diversification, internal fund fees, price to earnings ratios, and volatility measures. Broker compensation is not a selection criteria because we do not use “sales charge” funds. If a fund has a sales charge, we will not recommend it unless the fund company will waive the sales charge in an Advisory Service account. Some funds have what is known as a 12b-1 charge as a part of their annual fee structure. This is normally in the 0.25% range. Some part of 12b-1 fees comes to the broker as compensation. If the fund family offers the same fund without 12b-1 fees, we either recommend the non-12b-1 version fund, or if the version without the 12b-1

fees has become available after its counterpart was already in place in an account, we subtract the 12b-1 fees from client fees on a quarterly basis.

There are no fees paid to WGF by the client that are not explained in this document. WGF pays all custodian fees and transaction fees for all accounts under this Wrap Program; the client will incur the effect of mutual fund fees imposed by the funds themselves. WGF receives no part of these internal fund fees.

Clients may be able to purchase services similar to those offered under the Program from other service providers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than our Program, depending on the fees charged by such other service providers.

WGF nor its employees receive compensation, other than the portfolio management fee, for the recommendation to the client or the client's participation in this Wrap Fee Program.

## **Item 5: Account Requirements and Types of Clients**

The Wheat-Givens Financial, LLC Wrap Fee Program provides investment advisory services to individuals, trusts, or retirement plans.

There is no minimum requirement to open or maintain a Wrap Fee account.

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

### **Advisory Business**

Wheat-Givens Financial is the sole Portfolio Manager and Advisor for the Wheat-Givens Financial, LLC Wrap Fee Program. The firm develops each portfolio strategy around each client's unique financial goals. The portfolio development process includes: Determining the timing targets of the clients goals, analyzing the individual risk/return comfort level, developing specific investment strategies using a variety of investment methods (shown below) to match the clients total situation, monitoring the investments mix in an ongoing manner, providing ongoing meaningful communication between the advisor and the client, assuring the investment plan is in concert with the total financial and family situations as they are now and as they evolve.

### **Financial Planning**

The firm provides full service financial planning and consulting services in the following areas:

- pre-retirement and post retirement financial consulting
- customized investment allocation plans
- investment and estate planning
- corporate retirement plans
- advisory services

- business continuation and executive/owner benefit planning
- educational and special needs funding strategies

Clients are provided a written comprehensive financial plan that is presented to illustrate their current financial situation and objectives, and to provide specific recommendations of how their goals can best be attained. The plan will include as many of the areas above as the client wishes.

### **Investment Advisory Service**

Clients may participate in the Advisory Services as offered by the firm. Under this program assets are held in a brokerage account at a qualified custodian. This account shall be known as an Investment Management Account.

### **Advisory Service for Company Retirement Plans**

- Investment Analysis, Selection and Monitoring
- Asset Allocation Planning
- Retirement Planning

### **Individualized Plan**

Each investment plan is developed around each client's unique goals. Our Process includes:

- Determining the timing targets of the clients goals
- Analyzing the individual risk/return comfort level
- Developing specific investment strategies to match the clients total situation
- Monitoring the investments mix in an ongoing manner
- Providing ongoing, meaningful communication between the Advisor and the Client
- Assuring the investment plan is in concert with the total financial and family situations as they are now and as they evolve

The following industry standards are used to evaluate the portfolio manager's performance in security selection:

- Morningstar Risk Rating (is the holding's measure should be equal to or better than its return rating; a risk rating of average or lower is better than high; favorable example: low risk rating and average return rating)
- Morningstar Return Rating (the investment's rating should be equal to or better than its risk rating; a return rating of average or higher is better than low; unfavorable example: high risk rating and average return rating)
- Alpha (how an investment's return compares with the returns of its peer group); the investment's 3-year alpha should show no difference or a positive difference between its total return and the return of its peer group.
- Sharpe Ratio (evaluates a Mutual Fund's or Exchange Traded Fund's risk adjusted performance); The Sharpe Ratio is calculated by taking the excess return of a portfolio, relative to the risk-free rate, and dividing it by the Standard Deviation of the portfolio's

excess returns (Standard Deviation is a statistical measure of volatility over a period of time). The higher a portfolio's Sharpe Ratio, the better its risk-adjusted performance.

- Morningstar Category (this identifies the investment's general investment category; stocks have nine categories: large company, mid-cap company and small company for each of the growth, core, and value stock styles; bonds also have nine categories: short, intermediate, and long maturities for each of the high, medium, and low-quality ratings) The investment should be in the same category it was selected to fulfill in the portfolio's allocation strategy.

Each investment is reviewed on a monthly basis utilizing these measures. If a combination of these factors indicates a discussion should occur between the portfolio manager and the client as to whether or not the investment should be replaced; this will be noted in the monthly Consolidated Portfolio report.

The following standards are used to evaluate the portfolio manager's performance in asset allocation management:

- The actual allocation categories should be no more than 5% away from their targets.

This measure is reviewed on a monthly basis with any imbalance of more than 5% shown on our monthly Consolidated Portfolio Report.

There is a natural potential conflict of interest with the Portfolio Manager conducting the ongoing review of the standards by which the Portfolio Manager's selection and management have been acceptable. The fact that the measures are completely objective, are provided by Morningstar, a well-known investment data provider, and not subject to manipulation act to minimize this potential conflict.

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

The Program does not accept performance-based fees nor is "side-by-side" management utilized

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

The individualized portfolio strategies are developed using a combination of the investment methods shown below. With each method is a description of material risks inherent with the method. Investing in securities involves risk of loss that clients should be prepared to bear.

- **Modern Portfolio Theory Method and Strategy**

The basis for this Modern Portfolio Theory regarding managing an investment portfolio is constructing a mix of dissimilar assets, with these assets continually increasing and decreasing in value in patterns somewhat dissimilar to one another. This is designed to allow a portfolio to benefit from selling assets that are relatively high in value and buying assets that are relatively low in value.

**Risk of Loss:** A substantial risk with this method is relying on such historical relationships of asset classes and the behavior of these assets becoming similar instead dissimilar. This could result in buying assets when they are relatively low in value and these assets remaining low or even going lower in actual value for a significant period of time whereby said assets must be sold to fund a withdrawal need. This risk of loss is material in that it is possible and could cause harm to the client including a permanent loss in the value of securities he/she purchases.

- **Asset Allocation Theory Method and Strategy**

This method is a sub-set of Modern Portfolio Theory Method and is concerned with formatting a portfolio of dissimilar assets in accordance with a client's return/volatility profile. The client and the Advisor review the historical behavior of individual asset classes as well as combinations of dissimilar assets in order to arrive at an asset allocation (mix of assets) suitable to the client's comfort with relative volatility and portfolio long-term performance.

**Risk of Loss:** A significant risk with this method can occur if asset classes behave significantly different from their historic behavior resulting in so much of a diversified portfolio decreasing in value simultaneously and remaining at a low level that no asset has either retained its original value or increased in value by the time assets must be sold to fund a withdrawal need. This risk is material because it is possible and could cause actual harm to the client.

- **Dollar Cost Averaging Method and Strategy**

Dollar Cost Averaging involves buying assets incrementally with a fixed dollar amount being invested. An example would be buying \$10,000 of XYZ mutual fund on the first market day of every month for three months. The reason for implementing this method and strategy is to attempt to avoid the risk of buying all shares of a security at a peak price by assuring an average price for the time period of the buying strategy (average of first monthly market days prices over the three-month period). This strategy does not assure a profit, nor protect against loss.

**Risk of Loss:** A material risk of this strategy is losing the opportunity of securing a lower than this "average" price. An example would be if the price for the first purchase point was the lowest of the period. Such would be the case with a security whose price continually increased during the Dollar Cost Averaging period. This risk is material because it is possible, and it is harmful to the client if the lowest possible price is not obtained.

### **Voting Client Securities**

WGF does not vote proxies for securities held in clients' accounts. Clients receive proxy material directly from their account custodian or broker by either email or U.S. mail. Clients may address questions concerning a proxy matter to WGF personnel via email or phone.

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

Wheat-Givens Financial is the sole Portfolio Manager of the Wheat-Givens Financial, LLC Wrap Fee Program and collects and shares nonpublic information (such as financial information, investment objectives, and risk tolerance) about clients to aid in providing appropriate and suitable investment advice. Nonpublic personal information about clients will not be shared with third parties not affiliated with the Wheat-Givens Financial, LLC Wrap Fee Program except as noted below. Specifically, the Wheat-Givens Financial, LLC Wrap Fee Program may share personal information, as necessary.

- A. To complete transactions or account changes as directed by the client;
- B. To maintain or service a clients account;
- C. If requested to do so by a client;
- D. With contracted service providers providing administrative functions for the Wheat-Givens Financial, LLC Wrap Fee Program; or
- E. If the Wheat-Givens Financial, LLC Wrap Fee Program is required or permitted by law or regulatory authorities with jurisdiction over the firm to do so.

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

Clients will have unlimited access to program manager and should contact the offices of Wheat-Givens Financial, LLC with any questions or concerns.

## **Item 9: Additional Information**

### **Disciplinary Information**

There have been no disciplinary actions against WGF as a firm or its employees.

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

#### **Registered Representatives**

Phil Wheat and Lori Givens are, and future investment advisory representatives will also be, registered representatives offering securities through United Planners Financial Services of America ("United Planners"), a registered securities broker-dealer, member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Should clients implement recommendations through Advisory Representatives, Advisory Representatives may receive commissions in addition to the advisory fees. Commissions paid through United Planners may be higher or lower than at other broker/dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at United Planners than at other broker/dealers. Clients are not obligated to implement recommendations through Advisory Representatives or through United Planners.

Clients' participation in the Wheat-Givens Financial, LLC Wrap Fee Program will not result in clients paying commissions in addition to WRAP program fees. . Our Fiduciary ethic, however, requires WGF to select the Broker-Dealer, Custodian, and other necessary entities, to be the best for our total client base. The Firm puts the clients' interest ahead of our own interest with the selection of these entities, and other matters.

### **Other Registrations**

Employees of WGF are not registered, nor do they have an application pending to register, as a futures commission merchant, commodity pool operator, or an associated person of the foregoing entities.

### **Other Financial Industry Affiliation**

Phil Wheat is a Registered Principal and Limited Partner of United Planners Financial Services of America, a Limited Partnership (United Planners). As such, WGF may place securities trades through United Planners for their clients. Any variable life insurance and variable annuity business done by WGF is also placed through United Planners, although the actual contracts are issued and serviced by insurance companies. Lori Givens places life insurance business through a brokerage arrangement with Crump Life Insurance Services.

A conflict of interest exists when WGF recommends a commission-based product. The client is informed of this inherent conflict and that the client can purchase the recommended insurance product from another agent.

### **Compensation**

Employees of WGF do not receive compensation from other investment advisors, nor do they have a business relationship with other advisors, which would create a material conflict of interest.

All investment advisory representatives of the firm are registered representatives offering securities through United Planners Financial Services of America ("United Planners"), a registered securities broker-dealer, member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Should clients implement recommendations through Advisory Representatives, Advisory Representatives may receive commissions in addition to the advisory fees. Commissions paid through United Planners may be higher or lower than at other broker/dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at United Planners than at other broker/dealers. Clients are not obligated to implement recommendations through Advisory Representatives or through United Planners. Clients' participation in the Wheat-Givens Financial, LLC Wrap Fee Program will not result in clients paying commissions in addition to WRAP program fees.

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

### **Code of Ethics**

WGF has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients’ interests come before employees’ personal interests and before the Firm’s interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

### **Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or recommending clients’ securities trades.

### **Personal Securities Trading**

WGF or individuals associated with the Firm may buy, sell, or hold in their personal accounts the same securities the Firm recommends to its clients. This creates a potential conflict of interest with the possibility of Firm personnel obtaining a better price than clients obtain. If security transactions are to take place for clients during the same time period as those of the WGF and/or any of WGF’s employees, it is the procedure of WGF to place the clients’ trades before those of

WGF and/or the trades of WGF employees. This "client first" mandate is followed regardless of whether the security trades taking place consist of the same securities, similar securities, or dissimilar securities. The Firm does not allow front running.

WGF does not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

### **Outside Business Activities**

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease this activity.

### **CFP Board's Code of Ethics and Standards of Conduct**

Advisors at WGF subscribe to the Certified Financial Planner Board of Standards, Inc. Code of Ethics and Standard of Conduct. The Code of Ethics is stated as follows:

#### **Preamble**

CFP Board's Code of Ethics and Standards of Conduct reflects the commitment that all CFP® professionals make to high standards of competency and ethics. CFP Board's Code and Standards benefits and protects the public, provides standards for delivering financial planning, and advances financial planning as a distinct and valuable profession. Compliance with the Code and Standards is a requirement of CFP® certification that is critical to the integrity of the CFP® marks. Violations of the Code and Standards may subject a CFP® professional to discipline. (For more information about the "Standards of Conduct", please visit [www.cfp.net/code-of-ethics-and-standards-of-conduct](http://www.cfp.net/code-of-ethics-and-standards-of-conduct).)

#### **CODE OF ETHICS**

A CFP® professional must:

1. Act with honesty, integrity, competence, and diligence.
2. Act in the client's best interests.
3. Exercise due care.
4. Avoid or disclose and manage conflicts of interest.
5. Maintain the confidentiality and protect the privacy of client information.
6. Act in a manner that reflects positively on the financial planning profession and CFP® certification.

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## **Review of Accounts**

### **Account Review**

Phil Wheat, Owner & Investment Advisor, or Lori Givens, Owner & Investment Advisor, conduct periodic reviews of each Advisory Service client account during the periodic reporting process. This takes place approximately once per month, but no less frequently than nine times per year. These reviews entail comparing the client's investment objective to the portfolio holdings, cash flows, changes in the client's financial position, and often discussion with the client.

In addition to periodic account reviews, WGF reviews client accounts when deposits or withdrawals are made as well as whenever indicated by client circumstances, such as planning for life events, such as education or retirement.

Phil Wheat or Lori Givens will meet with each client on a periodic basis to review their account. The frequency of these reviews can be impacted by several factors including:

- The size and complexity of the client's accounts
- The complexity of the client's financial situation
- Unexpected changes in the client's goals or objectives
- Changes in political and economic circumstances
- Other lifestyle changes warranting a review of the client's financial situation

In addition to these reviews, the Firm reviews such portfolio statistics as prices and price-to-earnings ratios on days when the US markets are open.

### **Reporting**

Account reports are sent on a monthly basis. The monthly reports contain: Allocation Targets, Comparison of Current Allocation to Allocation Targets, the Annualized Internal Rate of Return, and any communication necessary between WGF and the Client. These reports delivered to clients in addition to the monthly or quarterly account statements and confirmations that are generated by the custodian of the assets.

## **Financial Information**

WGF does not solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance.

WGF has no negative financial conditions that would be reasonably likely to impair our ability to meet contractual commitments to our clients, nor has WGF been the subject of a bankruptcy petition.