

FRANKLY FINANCES

Form ADV Part 2A Firm Brochure June 13, 2022

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This Brochure provides information about the qualifications and business practices of Frankly Finances. If you have any questions about the contents of this Brochure, please contact us at 786-897-5035 or at Frank@FranklyFinances.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 Frankly Finances also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Frankly Finances as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

This section describes the material changes to this Form ADV Part 2A (“Brochure”). This is Frankly Finances’ initial Brochure. In the future, this section will describe material changes to the Brochure since its last annual updating amendment.

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Item 4 **Advisory Business**

- A. Frankly Finances, LLC (“Frankly Finances”, the “Firm”, “we”, “our”, or “us”) is a limited liability company formed on April 22, 2022, in the State of Florida. The Firm became registered as an investment adviser on June [·], 2022 with the Florida Office of Financial Regulation. The Firm is owned entirely by Frank Garcia, who is also the Firm’s Chief Compliance Officer.
- B. As discussed below, Frankly Finances provides fee-only financial planning and investment advisory services to individuals, high-net worth individuals, corporations, and other businesses. The specific services and the fees for those services are subject to agreement between Frankly Finances and the client.

Our financial planning services include one or more of the following:

- Cash flow analysis
- Multigenerational planning
- Estate planning
- Insurance review
- Investment portfolio review and analysis
- Retirement planning
- Tax planning and optimization

Further, Frankly Finances may assist institutional clients with review of their portfolios, including investment allocation, fees and expenses, and committee structure.

Depending upon the agreed upon scope of services, we analyze the client’s current financial situation, define their goals and define the steps they need to achieve them. Clients are responsible for promptly notifying the Firm if there is ever any change in their financial situation or investment objectives so that we can review, and if necessary, revise our previous recommendations. In providing services, we tailor our services to the individual needs of the client. Clients may impose any restriction on our financial planning services by notifying us of those restrictions. Those restrictions will be honored if you provide them in writing or we confirm our agreement to them in writing.

Frankly Finances is not a law firm or accounting firm, and Frank Garcia is not a lawyer or accountant. Its services should not be construed as legal or accounting services. We do not prepare estate planning documents, tax returns, or sell insurance products. We may recommend the services of other professionals. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from the Firm.

Frankly Finances may charge for its services as follows: (a) one-time, fixed fee, (b) hourly rates, or (c) an annual subscription. More information about our fees is available in Item 5 below.

- C. The Firm does not provide investment management services.

Item 5 Fees and Compensation

- A. The Firm's investment advisory fee is generally determined in one of three ways, each described in more detail below.
1. **One Time Fixed Fees.** A fixed one-time fee. These arrangements are currently subject to a \$2,000 minimum annual fee. We set these fees based on various objective and subjective factors and after discussion with the client. The factors that we consider include, but are not limited to, the amount of the client's asset, the level and scope of the services required, the complexity of the engagement and the number of times the client would like to meet.
 2. **Hourly Fees.** An hourly fee of \$600/hour. We may agree to reduce the hourly rate in our sole discretion.
 3. **Annual Subscription Fees.** An annual, recurring fee for ongoing financial planning. These arrangements are currently subject to a \$1,000 minimum annual fee and will not typically exceed \$20,000 for retail clients. We set these fees based on various objective and subjective factors and after discussion with the client. The factors that we consider include, but are not limited to, the amount of the client's asset, the level and scope of the services required, the complexity of the engagement and the number of times the client would like to meet.

The Firm seeks to provide complete transparency about fees and expenses.

From time to time, the Firm may amend its fee structures and rates or may reduce or waive any of its fees based upon certain criteria. Clients will be responsible for the fee contained in their applicable agreement, as amended from time to time. Based on our pricing arrangements, the Firm's clients can pay different fees for the same or similar services. The services provided to any particular client could be available from other investment advisers at lower (or higher) rate. All clients and prospective clients should be guided accordingly.

- B. Invoice payment is due within 30 days of receipt of the invoice.
- C. In the event we recommend any securities purchases or sales, broker-dealers charge transaction fees for effecting certain securities transactions. Clients will also incur fees and expenses charged by any investments that they purchase, including mutual funds and ETF.
- D. All fees are due within 30 days' receipt of an invoice. Upon termination of any agreement, we will refund the pro-rated portion of any advanced advisory fee paid based upon work yet-to-be completed.
- E. Neither Frankly Finances nor any of its associated person accepts compensation from the sale of securities or other investment products.

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

Neither Frankly Finances nor any associated person accepts performance-based fees.

Item 7 Types of Clients

Our clients are generally individuals, high-net worth individuals, corporations, and other businesses. We do not have any minimum asset requirements or minimum fees, but we do reserve the right to accept or reject any client.

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

- A. The Firm may use the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

We primarily practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or ETFs. Passive investment management is characterized by low portfolio expenses (i.e., the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal). In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by us) will be profitable or equal any specific performance level(s).

- B. Our methods of analysis and investment strategies do not present any significant or unusual risks. However, every investment strategy has its own inherent risks.

Passive Investing Risk. Passive investing differs from active investing in that managers are not seeking to outperform their benchmark. As a result, managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets.

- C. Currently, we primarily recommend mutual funds and ETFs. Their risks are described in their prospectus. These investments are subject to general market risk. The price of a mutual fund or ETF that we recommend may fall in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

Item 9 Disciplinary Information

Neither Frankly Finances nor its management have been the subject of any reportable disciplinary action.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Frankly Finances, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Frankly Finances, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Frankly Finances has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Frankly Finances does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

Frankly Finances maintains a policy regarding personal trading by its management and employees. This policy serves to establish a standard of business conduct for all of our representatives that is based upon fundamental principles of openness, integrity, honesty and trust. A copy is available upon request. We also maintain and enforces policies reasonably designed to prevent the misuse of material non-public information.

Neither the firm nor its related persons recommend, buys, or sells for client accounts, securities in which Firm or any related person of Firm has a material financial interest.

We may buy or sell securities that are also recommended to clients. This situation creates a conflict of interest. The securities that we recommend to clients are not the type that we or our employees can manipulate and where our clients are likely not to be disadvantaged if we happen to trade on the same day.

Item 12 Brokerage Practices

We do not provide investment management services.

Item 13 Review of Accounts

For those clients that hire us for ongoing financial planning services, we perform reviews on a periodic basis. For the avoidance of confusion, We do not review any recommendations or financial plans made to clients receiving advice pursuant to a one-time fixed fee or that are paying for hourly financial planning services.

Clients are provided with transaction confirmation notices and regular summary account statements directly from their custodian.

Item 14 Client Referrals and Other Compensation

We do not receive compensation for outbound client referrals and we do not generally compensate anyone for client referrals.

Item 15 Custody

It is our policy to not accept physical custody of a client's cash or securities. In other words, we do not accept the authority to withdraw, transfer or otherwise move funds or cash from any client account to our accounts or the account of any third party (other than for purposes of the payment of our fees as explained below).

Item 16 Investment Discretion

The Firm does not receive investment discretion from its clients.

Item 17 Voting Client Securities

- A. Frankly Finances does not vote client proxies. 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.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Frankly Finances to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Frankly Finances does not solicit fees of more than \$500, per client, six months or more in advance.
- B. Frankly Finances is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Frankly Finances has not been the subject of a bankruptcy petition.

Item 19 State Registered Investment Advisers

- A. Frank Garcia is the sole executive officer and management person of Frankly Finances. Information about his formal education and business background is found in his Form ADV Part 2B.
- B. Neither Frankly Finances nor Mr. Garcia are actively engaged in any other business (other than giving investment advice).
- C. Not applicable. Frankly Finances is not compensated based on performance-based fees.
- D. Mr. Garcia has not been involved in any event requiring disclosure in response to this item.
- E. Neither Frankly Finances nor Mr. Garcia have any relationship or arrangement with any issuer of securities.