

**Form ADV Uniform Application for Investment Adviser Registration  
Investment Adviser Brochure**

**Form ADV Part 2A  
&  
Form ADV Part 2B**

**Ferri Investment Solutions**

[www.RickFerri.com](http://www.RickFerri.com)

Rick Ferri, LLC  
317 Hanging Star Lane  
Georgetown, TX 78633

**Registration Approved: March 1, 2019  
Effective Date: April 8, 2019  
Latest Revision March 31, 2023**

This "**Brochure**" provides information about the qualifications and business practices of Ferri Investment Solutions ("**Adviser**", "**we**", "**us**", "**our**" or the "**Firm**").

If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Richard Ferri, at (830) 484-4448 or [rf@rickferri.com](mailto:rf@rickferri.com)

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority. Additional information about our Firm 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 Firm's CRD number is 300479.

Any reference to Ferri Investment Solutions as a "registered investment adviser" or as being "registered" does not imply a certain level of skill or training.

## **ITEM 2: MATERIAL CHANGES**

Form ADV Part 2 requires registered investment advisers to amend their Brochure when there are material changes to their information or as necessary. If there are any material changes to an adviser's Brochure, the Adviser is required to notify you and provide a description of the material changes.

### MATERIAL CHANGES SINCE THE LAST FILING

There is no material change since the last filing.

You may view our current Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or CRD #300479. You may also request a copy of this Brochure at any time by contacting us by phone at (830) 484-4448 or [rf@rickferri.com](mailto:rf@rickferri.com)

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## **ITEM 4: ADVISORY BUSINESS**

### **A. Firm Information**

FERRI INVESTMENT SOLUTIONS registered as an investment adviser in February 2019 and was approved on March 1, 2019. Services began on April 8, 2109. The Firm is a fixed-fee and hourly-fee investment adviser registered with the States of Texas. The principal place of business is Georgetown, TX. The Firm was formed under Rick Ferri, LLC, a Texas limited liability company. Rick Ferri, LLC is fully owned and operated by Richard Alan Ferri ("**Principal**").

The Investment Advisers Act of 1940 ("**The Act**"), Section 202(a)(11) defines "Investment adviser" as a person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.

FERRI INVESTMENT SOLUTIONS offers fixed and hourly-fee advice-only services under The Act. We offer advice only to Clients who contact us directly and to Clients referred by other investment advisers, investment companies, financial planners, accountants, pension consultants, attorneys, and other professionals ("**other Advisers**"). We do not pay for referrals or refer to others for payment of any form. We do not manage portfolios, take custody of assets, trade for clients, and do not have discretion over Client assets. Clients implement the recommendations on their own or through another adviser and using a custodian of their choosing.

FERRI INVESTMENT SOLUTIONS frequently limits investment recommendations to open-end mutual funds and exchange-traded funds ("**ETFs**"), primarily those that follow broad-based market indices. We will consider a Client's preferred custodian and attempt to select mutual funds and/or ETFs that are available through their custodian at low cost and with low/no transaction fees. Some Clients have individual securities (stocks, bonds, etc.) they wish to retain. We may advise clients on those securities; however, we are not obligated to do so under the adviser agreement.

We serve as a fiduciary to Clients as defined under applicable laws and regulations. As a fiduciary, we uphold a duty of loyalty, fairness, and good faith towards each Client and seek to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, see Item 11 – Participation or Interest in Client Transactions, Code of Ethics, and Personal Trading.

### **B. Advisory Services Offered**

FERRI INVESTMENT SOLUTIONS offers direct fixed-fee and hourly-fee advice only to individual Clients and Clients of other Advisers.

#### **Hourly and Fixed-fee Advice-Only:**

- Custom advice designed to use efficient and effective strategies that lower fees and taxes;
- For individuals, high net worth individuals, family offices, retirement plan sponsors; and trustees of foundations, endowments, and other non-profit organizations (each, a "Client"), and;
- Other Advisers who engage the Firm to advise their own Clients directly or indirectly.

FERRI INVESTMENT SOLUTIONS provides fixed and hourly-fee financial advice as needed. The same service and rates apply to all Clients who hire the Firm directly and to Clients who are referred by another Adviser or professional as outlined in Item 5A. We do not discount fees.

If a prospective client is interested in engaging the Firm, they are provided with a Form ADV Part 2A combined brochure that includes Item 19 - Privacy Policy and Item 20 – Requirements for State Advisers. Before we provide advisory services, we first enter into a written agreement with each Client. Services are then provided to a Client, and payment is received after services are complete.

FERRI INVESTMENT SOLUTIONS believes in a passive investment philosophy and generally limits our recommendations to low-fee market-tracking products such as index funds and ETFs. We do not attempt to outperform the markets by timing, sector rotation, security selection, or any other means.

We provide as-needed financial reviews and written investment plans that often include recommendations for implementation. In giving this advice, we begin by discussing each Client's personal situation, tax situation, career, financial history, future goals, risk tolerance and need to take risk, and current holdings. This assists us in understanding a Client's needs before recommending changes to their investment strategy. We may refer to qualified third parties upon request.

FERRI INVESTMENT SOLUTIONS does not take discretion over the management of Client portfolios. Implementation is solely the Client's responsibility either directly or through another Adviser. We may recommend a third-party portfolio manager, financial planner, or other professional if a Client asks for a referral. We are not compensated in any manner for Client referrals to other Advisers and do not pay for referrals. See Item 14 for information on potential conflicts of interest concerning third-party activities.

Our Engagement Letter is signed by the Client, and they pay our fee directly. We do not debit Client accounts. When a Client is referred to us by their other Adviser, either the Client or their other Adviser signs our agreement and pays our fee. The latter decision is between the Client and their other Adviser.

FERRI INVESTMENT SOLUTIONS services are provided in our capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), Plan Sponsors are provided with a written description of FERRI INVESTMENT SOLUTIONS fiduciary status, the specific services to be rendered, and all compensation, whether direct or indirect, that a Plan Sponsor should reasonably expect under the engagement.

### **C. Client Account Management**

FERRI INVESTMENT SOLUTIONS provides advice only. All consultations are customized to a Client's need.

The first step is gathering information using a Client Profile and document request. The Client Profile is asks for family circumstances, career, financial goals, retirement goals, legacy goals, taxes, current holdings, and other information. The second step is an off-line review of all documents sent to the Firm by the Client. The third step is an in-depth client discussion that lasts *up to two hours*. The fourth and final step is the Firm providing a written opinion of the Client's financial situation to include whether their portfolio is properly aligned, and to make recommendations for change as needed. A Client may impose restrictions on investing in certain securities or types of securities due to tax considerations and other circumstances. The service concludes with the delivery of the letter and an invoice.

Portfolio implementation is the responsibility of each Client or another Adviser. The Firm does not assume discretion over Client assets, does not trade accounts, and does not custody assets. The Firm does not provide investment supervisory services, also known as investment management, portfolio management, and asset management.

An Investment Policy Statement (IPS) is not automatically provided as part of the advisory agreement. It may be requested of FERRI INVESTMENT SOLUTIONS by a Client, and an extra hourly fee applies to the time allotted for IPS creation. The written IPS then belongs to the Client and can be used by them or their other Adviser in the implementation of an investment plan.

When a Client hires a third party to manage their portfolio or any other service, the Client is responsible for contracting with that firm and paying the other Adviser's fee. This cost is not included in the FERRI INVESTMENT SOLUTIONS fee.

#### **D. Wrap Fee Programs**

FERRI INVESTMENT SOLUTIONS does not participate in any wrap fee programs.

#### **E. Assets Under Management**

FERRI INVESTMENT SOLUTIONS does not manage Client assets or assume discretion over Client assets.

### **ITEM 5: FEES AND COMPENSATION**

#### **A. Fees for Advisory Services**

The Portfolio 2nd Opinion™ one-time flat fee is \$995. This covers a document review, two-hour consultation, and a summary letter with supporting documents. Clients needing more than two hours are invoiced at \$450 per hour in addition to the \$995. The extra fee for extra time must be approved by a Client before it is charged. The \$995 fee may revert to a \$450 per hour fee if the time to deliver the service is under meaningfully less than two hours, resulting in a lower overall fee to the Client.

The Portfolio 2nd Opinion™ fee and hourly fee are non-negotiable.

FERRI INVESTMENT SOLUTIONS may also change fees at the sole discretion of the Firm. Potential Clients who have not yet signed a contract will be notified three (3) months in advance of any fee change. Any fee change will be published on RickFerri.com prior to taking effect. Fee changes will not be updated in this document until the next annual amendment is published each March 31.

#### **B. Payment of Fees**

Invoices are sent electronically at the end of a consultation. Methods of payment include credit card, check, and bank draft. There is no extra charge to a client for bank drafts or credit card payments. Checks should be made payable to Rick Ferri, LLC. Once an invoice is paid, no refund will be made.

All fees are due within 30 days of their invoice date. FERRI INVESTMENT SOLUTIONS has the right to charge interest of 1.5% per month on unpaid balances until the account is paid in full.

Either party may cancel a pending consultation for any reason by notifying the other party in writing. There is no charge for canceling. Any agreed-upon billable services provided prior to termination become fully payable within 30 days of the termination date.

### **C. Other Fees and Expenses**

Clients are responsible for the payment of fees and charges imposed by third parties in connection with the services of others. These include but are not limited to fees from other Advisers, custodians, mutual funds, and ETFs. FERRI INVESTMENT SOLUTIONS receive no part of the fees charged by others.

### **D. Prepayment of Fees**

FERRI INVESTMENT SOLUTIONS does not invoice in advance and does not require a deposit. In the event a Client voluntarily pays a deposit, upon termination of our service, the unused portion of the deposit will be refunded based on the prorated amount of work completed using the hourly rate.

### **E. Termination of Services**

Either party may terminate the agreement at any time by providing written notice to the other. FERRI INVESTMENT SOLUTIONS will not be responsible for further services upon receipt of a verbal or written termination notice. We will also not be responsible for notifying other Advisers or third parties the Client may have hired. The Client must communicate their decisions with those third parties directly.

### **F. Compensation for Sales of Securities**

FERRI INVESTMENT SOLUTIONS does not buy or sell securities and does not receive any compensation for securities transactions.

## **ITEM 6: PERFORMANCE-BASED FEES**

FERRI INVESTMENT SOLUTIONS does not charge performance-based fees.

## **ITEM 7: TYPES OF CLIENTS**

FERRI INVESTMENT SOLUTIONS offers advisory services directly and indirectly to individuals, families, private trusts, family offices, retirement plans, non-profit organizations, and most other legal entities. We do not offer exclusive contracts. Hiring our Firm does not preclude any other potential Client from hiring our Firm. All Client information is held in strict confidence. Refer to Item 19 – Privacy Policy.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis**

When we are engaged to provide financial services, including investment advice, we will first gather and consider several factors, including:

- current financial situation and needs;
- interim and long-term goals and objectives;
- level of investment knowledge;
- tolerance or appetite for risk, as well as the need to take risk;
- tax basis of current holdings and an assessment of tax implications;
- reasonable investment restrictions involving securities in a current portfolio.

We then derive market research and product information from numerous sources, including but not limited to:

- Federal Reserve data
- Investment prices and historical financial data
- BEA and other economic sources
- IRS tax documents
- third-party research materials
- SEC filings
- fund sponsors
- media sources

All the above information comes together at FERRI INVESTMENT SOLUTIONS to create a reasonable asset allocation and investment selection for a Client's short- and long-term needs. This analysis is discussed directly with each Client, and final recommendations are made.

FERRI INVESTMENT SOLUTIONS does not guarantee that investments will increase in value; to the contrary, the Firm emphasizes that all investing comes with inherent risks. Investments can and will lose value at times, and Clients can and should expect their portfolio will lose value as a result.

As an Adviser, the Firm explains the material risk involved for each significant investment strategy or method of analysis used and for any particular type of security recommended. The Firm also explains risk in greater detail if the risk is unusual or significant. If the Client's chosen investment strategy involves frequent trading of securities, the Firm explains how frequent trading can negatively impact investment performance.

## **B. Investment Strategies**

FERRI INVESTMENT SOLUTIONS generally employs a long-term, passive investment philosophy utilizing a strategic asset allocation for our Clients that is consistent with their long-term financial goals. Strategic asset allocation is defined as a fixed allocation among risky assets (stocks), less risky assets (fixed income), and cash that is rebalanced occasionally. The Firm does not invest in commodities, future, options, currencies, or cybersecurities, and does not attempt to time markets, rotate sectors, factors, or industries.

The Firm primarily utilizes low-cost market-tracking index mutual funds and ETFs to develop an asset allocation for each Client. The Firm may recommend mutual fund and ETFs that have risk factors other than market risk, such as value and size risk. The overall allocation is designed to create an asset mix that will balance expected risk and return for a long-term investment horizon of typically 10 years or more.



## **C. Risk of Loss**

FERRI INVESTMENT SOLUTIONS will assist Clients in determining an appropriate portfolio strategy based on their tolerance for risk and other factors. However, there is no guarantee that a Client will meet their goals. Investing in securities, including index funds or ETFs, involves investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss.

### ***Passive Investing***

A portfolio that employs a passive, efficient-market approach (representative of "index investing") will not take defensive measures such as moving out of investments that appear to have become riskier. The goal of passive or index investing is to deliver as close as possible to a pre-stated benchmark return.

### ***Index Investing***

Strategies involving index investing have the potential to be affected by "active risk" (aka "tracking error risk") or a deviation from a benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position or from a "sample" or "optimized" index fund or ETF that may not as closely align the benchmark. FERRI INVESTMENT SOLUTIONS generally recommends broadly diversified index funds that have had minimal tracking error.

### ***ETF and Mutual Fund Risks***

The risk of owning ETFs and mutual funds reflects the risk of their underlying securities (e.g., stocks, bonds, etc.). ETFs and mutual funds also carry additional expenses based on their share of operating expenses and certain brokerage fees. FERRI INVESTMENT SOLUTIONS generally recommends broad market index funds that are among the lowest costs (minimizing expenses and maximizing diversification). We do not recommend leveraged or inverse ETFs, which involve greater risk.

### ***Fixed Income Risks***

Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including credit risk, duration risk, interest rate risk, liquidity risk, and reinvestment risk.

### ***Failure to Implement***

Implementation is the most important part of the investment process. Clients who choose not to take the steps recommended may face an increased risk that their stated goals and objectives will not be achieved. FERRI INVESTMENT SOLUTIONS can assist Clients with implementation as part of an extended hourly service as well as provide introductions to independent advisers who can help implement.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with FERRI INVESTMENT SOLUTIONS and their other Adviser if applicable.**

## **ITEM 9: DISCIPLINARY INFORMATION**

We have not been the subject of any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. In addition, no persons involved in the management of the Firm have been the subject of any such action.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Richard Ferri, the sole owner of Rick Ferri, LLC, is a Chartered Financial Analyst (CFA) charterholder through the CFA Institute in Charlottesville, VA. He received his charter in 1995 and has maintained his membership with the CFA Institute.

Mr. Ferri has asked Jon Luskin of LUSKIN FINANCIAL PLANNING (CRD# 314744 ) to be a successor to FERRI INVESTMENT SOLUTION in the event Mr. Ferri no longer provides adviser services. Mr. Luskin is a CERTIFIED FINANCIAL PLANNER™ (CFP®) residing in San Diego, California. He worked with Mr. Ferri from April 2021 through July 2021. Mr. Ferri advises Mr. Luskin under a separate Industry Consulting agreement for Advisers, and often refers Clients to him due to capacity limitations on Mr. Ferri's time.

Mr. Ferri is the former President and on the conference planning committee of the John C. Bogle Center for Financial Literacy, a 501(c)3 entity. He is not compensated in any manner for his time or contribution. The organization funds the Bogleheads®, a group of like-minded individual investors who follow the general investment and business beliefs of John C. Bogle, founder and former CEO of the Vanguard Group. It is a conflict-free community where individual investors reach out and provide education on Bogleheads.org. Assistance is provided to all who ask for it at no cost.

Mr. Ferri also hosts the "Bogleheads on Investing" podcast. A new podcast is published monthly as part of the John C. Bogle Center for Financial Literacy. He may also speak at conferences and through other online activities on behalf of the Bogleheads. Mr. Ferri received no compensation for his contribution to the Bogleheads.

Richard Ferri is NOT registered as a broker-dealer, registered representative of a broker-dealer, futures commissions merchant, commodity pool operator, or commodity trading advisor.

## **ITEM 11: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, CODE OF ETHICS, AND PERSONAL TRADING**

### **A. Code of Ethics & Personal Trading**

FERRI INVESTMENT SOLUTIONS and Rick Ferri, LLC has adopted a **Code of Ethics**, which includes our Employee Investment Policy. This policy establishes procedures with respect to investment transactions in accounts in which our "Supervised Persons" have a beneficial interest. The Firm will provide a copy of its **Code of Ethics** to any Client or prospective Client that requests it.

In addition, the Firm follows *The CFA Institute Code of Ethics and Standards of Professional Conduct* (Code and Standards). They are the ethical benchmark for investment professionals around the globe. These principles also cover compliance with respect to applicable federal securities laws, the manner that violations of federal securities laws are to be reported, and certain other outside activities. *The CFA Code of Ethics and Standards of Professional Conduct* is available for review to Clients upon request.

### **B. Personal Trading with Material Interest**

FERRI INVESTMENT SOLUTIONS allows a Supervised Person to purchase or sell the same securities that

may be recommended to and purchased on behalf of Clients. This may create the potential for a conflict of interest; however, the risk is mitigated by the Firm's adoption of the *Code of Ethics and Standards of Professional Conduct* whereby all members must act for the benefit of the Clients and place the Clients' interests before their own interests of the Firm's interest.

We do not act as principal in any transactions. FERRI INVESTMENT SOLUTIONS does not act as the general partner of a fund or an investment company, does not have a material interest in any securities traded in Client accounts, or recommend any security in which the Firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

### **C. Personal Trading in Same Securities as Clients**

FERRI INVESTMENT SOLUTIONS has personal trading policies to mitigate potential conflicts of interest when a Supervised Person trades in the same securities recommended to our Clients. We believe that our largely passive investment approach limits conflicts that can occur with respect to personal trading. When we believe a transaction may create a conflict of interest, our policy is to disclose it to our Clients and mitigate it through policies and procedures.

The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are knowingly and willingly made ahead of Clients, or by trading based on material non-public information. This risk is mitigated by requiring regular reporting of personal securities trades by a Supervised Person for review by our Chief Compliance Officer ("CCO"). A Supervised Person must not engage in personal trading that violates the fiduciary duty owed to each Client.

### **D. Personal Trading at Same Time as Client**

While FERRI INVESTMENT SOLUTIONS allows a Supervised Person to purchase or sell the same securities that may be recommended to and purchased by Clients, we believe the largely passive investment approach limits conflicts of interest that can occur with respect to personal trading, and at the same time we recommend certain investments to Clients. Supervised persons must not engage in personal trading that violates the Code and Standards or the fiduciary duty owed to each Client.

To reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit Supervised Person transactions. Any exceptions must be approved by the Firm, and we will maintain personal securities transaction records as required.

## **ITEM 12: BROKERAGE PRACTICES**

As an Adviser and a fiduciary to our Clients, we require that the Client interests must always be placed first and foremost, and our trading policies and procedures prohibit unfair trading practices and seek to disclose and to avoid actual or potential conflicts of interest or to resolve such conflicts in the Clients' favor. We have adopted the following policies and procedures to meet the Firm's fiduciary responsibilities and to ensure that our trading practices are fair.

## **A. Recommendation of Custodians and/or Broker-Dealers**

### ***Broker-dealer/Custodian Referrals***

FERRI INVESTMENT SOLUTIONS does not receive any compensation from any third party in connection with the recommendation for establishing an account. As a fee-only hourly Adviser that does not manage portfolios, it is the Client's decision where to custody assets and to move their assets to that custodian. The Client or their other Adviser is then responsible for negotiating the commission rates and other fees to be paid to the broker-dealer/custodian.

A Client that asks for a broker-dealer/custodian recommendation will be provided with one. Some of the factors we consider when recommending a custodian include, but are not limited to:

- The ability to invest in a wide variety of index funds and ETFs;
- Transaction costs and other custodian fees;
- Technology ease of use by Client;
- Customer service provided by the custodian;
- Access to local offices for those clients who prefer this option;
- Custodians already in use for 401k accounts of Client's current employer.

Clients who are subject to ERISA agree that FERRI INVESTMENT SOLUTIONS has no authority over the broker-dealer or custodial decisions. The amount paid for brokerage, custody and other services is determined by the Client exclusively.

### ***Soft Dollars***

Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. FERRI INVESTMENT SOLUTIONS does not participate in soft dollar programs offered by any broker-dealer/custodian.

## **B. Trade Aggregation and Allocation**

FERRI INVESTMENT SOLUTIONS does not trade Client accounts. Trading is the sole responsibility of the Client or their other Adviser.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Frequency and Nature of Periodic Reviews**

FERRI INVESTMENT SOLUTIONS offers as-needed fixed-fee and hourly advice. Client portfolios are reviewed by Richard Ferri when requested by each Client. The Client or their other Adviser is responsible for providing FERRI INVESTMENT SOLUTIONS with current information about account holdings to be reviewed. Portfolios may include but are not limited to a review of a Client's financial goals, current investment policy, risk tolerance level, cost, diversification, tax efficiency, and other matters.

### **B. Factors Resulting in a Non-Periodic Account Review**

There is no timetable for a Client review. They are done as requested by a Client. Reviews often occur

after material events (market, economic or political) or due to a significant change in a Client's financial situation (pre-retirement, change in employment, received an inheritance, change in family status).

### **C. Client Reporting**

FERRI INVESTMENT SOLUTIONS does not manage investment portfolios or provide ongoing monitoring of client assets. We may communicate with current and former Clients approximately twice per year by email for marketing purposes to remind them of our hourly as-needed service. These emails are not regular and contain no investment advice.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

We are compensated only through fees charged directly to Clients or their other Adviser. Neither FERRI INVESTMENT SOLUTIONS nor other Rick Ferri, LLC, businesses accepts compensation from any Client based on a percentage of their assets or brokerage commissions or any other form of payment.

If another Adviser refers Clients to FERRI INVESTMENT SOLUTIONS, there should be no expectation on behalf of the other Adviser that we will refer Clients back to them. FERRI INVESTMENT SOLUTIONS may send a referral to a third party that we have received a referral from only if we believe referring to that Firm is in the best interest of the Client. No revenue or economic benefit of any kind is expected or anticipated by FERRI INVESTMENT SOLUTIONS or any Rick Ferri, LLC business for a referral to another Adviser or third party.

Another Adviser or a third party may hire Rick Ferri, LLC and become an Industry Consulting Client (Refer to Item 19B – Other Businesses). The entity should have no expectation they will receive referrals from FERRI INVESTMENT SOLUTIONS because they are an Industry Consulting Client. If it is in the best interest of a Client to refer to an Industry Consulting Client, the relationship will be fully disclosed to the investment Client in writing at the time the referral is made. An example would be a referral to LUSKIN FINANCIAL PLANNING (CRD# 314744 ), an Industry Consulting Client of Rick Ferri, LLC.

### **ITEM 15: CUSTODY**

FERRI INVESTMENT SOLUTIONS does not accept or maintain custody of any Client accounts. It is the Client's decision to custody assets with the custodian and to move their assets to that custodian. The Client or their other Adviser is also responsible for negotiating the commission rates and other fees to be paid to the broker by the Client. FERRI INVESTMENT SOLUTIONS is not responsible for paying any commissions or custodial charges. For more information about Custodians and brokerage practices, see Item 12 - Brokerage Practices.

### **ITEM 16: INVESTMENT DISCRETION**

FERRI INVESTMENT SOLUTIONS does not accept discretion over Client assets.

### **ITEM 17: VOTING CLIENT SECURITIES**

FERRI INVESTMENT SOLUTIONS does not manage investment portfolios and does not accept proxy-

voting responsibility for Clients. We may assist in answering written questions from Clients relating to some proxy issues; however, the Client or their other Adviser retains the sole responsibility for proxy decisions and voting.

### **ITEM 18: FINANCIAL INFORMATION**

Neither FERRI INVESTMENT SOLUTIONS nor Rick Ferri, LLC or Richard Ferri has been subject to a bankruptcy or financial compromise. We have no financial commitments that would reasonably impair our ability to meet our contractual obligations and fiduciary commitments to our Clients. We do not require or solicit prepayments from Clients of \$1,200 or more six months or more in advance and thus are not subject to SEC Rule 206(4)-4.

### **ITEM 19: REQUIREMENTS FOR A STATE REGISTERED ADVISER**

All relevant information is provided in ADV Part 2B.

**Form ADV Uniform Application for Investment Adviser Registration**

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with Requirements for a State Registered Adviser**

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**Supervised Person: Richard Alan Ferri**

[RF@RickFerri.com](mailto:RF@RickFerri.com)

316 Hanging Star Lane  
Georgetown, TX 78633  
(830) 484-4448

**Registration Approved: March 1, 2019**

**Effective Date: April 8, 2019**

**Latest Revision March 31, 2022**

Form ADV Part 2B brochure supplement provides information about Mr. Ferri that supplements the *Ferri Investment Solutions* brochure. You should have received a copy of that brochure. Please contact Mr. Ferri if you did not receive a copy or if you have any questions about the contents of the brochure or this supplement. Additional information about Richard Alan Ferri (Individual CRD# 1930456) is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE (RICHARD FERRI)**

### **Richard Alan Ferri**

*Founder, Member, CEO*

*Born: 1958*

#### **Education:**

- Bachelor of Science in Business Administration from the University of RI.
- Master of Science in Finance from Walsh College in Troy, MI.
- Chartered Financial Analyst® (CFA) charterholder with the CFA Institute.

#### **Business Experience:**

- Founder-owner of registered investment adviser Portfolio Solutions, LLC, 1999-2018
- Investment Adviser Representative for Portfolio Solutions, LLC, Medina, Texas, 2007-2016
- Managing Partner of Portfolio Solutions, LLC, Troy, MI, 1999-2006
- Registered rep with Kidder Peabody, Inc. and Smith Barney, Inc. from 1988-1999
- Former adjunct professor of finance at Walsh College in Troy, MI, 1998-2003
- Twenty-one years combined active and reserve duty as a Marine Corps Officer 1980-2000.

The Chartered Financial Analyst® (CFA) credential is held by over 170,000 professionals around the world. CFA is a professional designation given by the CFA Institute, formerly AIMR, that measures the competence and integrity of financial analysts. The charter gives a strong understanding of advanced investment analysis and real-world portfolio management skills.

The uses of the CFA Marks are governed by the Code of Ethics and standard VII(B) of the Standards of Professional Conduct of the CFA Institute and applicable laws. CFA Marks can only be used by charterholders who are dues-paying members of CFA Institute and not subject to certain Professional Conduct violations and whose rights to use the CFA designation have not been suspended or revoked.

## **ITEM 3: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose certain material facts regarding any criminal, civil, legal or industry/professional association disciplinary event that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section for Richard Alan Ferri.

## **ITEM 4: OTHER BUSINESSES**

This section explains other business activities of Mr. Ferri, sole owners of Rick Ferri, LLC, that do not fall under the definition of "Investment adviser" under Section 202(a)(11) of the Advisers Act (see Item 4A of this document.)

### **Industry Consulting**

Mr. Ferri offers consulting services at an hourly rate to a wide range of businesses and professionals through Rick Ferri, LLC. Clients may include, but are not limited to, investment advisory firms, financial planning firms, investment companies, brokerage firms, banks, insurance companies, law firms, accounting firms, publishing companies, and other professional organizations. Services include, but not

limited to, industry practice and trends, evaluating fee options, managing growth, product development, marketing, branding, succession planning, mergers and acquisitions, regulatory and compliance issues.

Advisory services for individual investing clients that are referred from industry Clients fall under Section 202(a)(11) of the Advisers Act. This requires a separate engagement with FERRI INVESTMENT SOLUTIONS as outlined in ADV Part 2A, Item 4(A), Advisory Business.

Industry consulting is less than 15% of Rick Ferri, LLC's revenue and does not take up a substantial amount of Mr. Ferri's time.

### **Model Portfolios by Core-4® Portfolios**

Core-4® is a registered trademark of Rick Ferri, LLC. Model portfolios created by Mr. Ferri are available for free on [www.Core-4.com](http://www.Core-4.com) under the Core-4® Portfolios brand. There is a series of six proprietary models that hold four funds each. Each portfolio has four risk allocation strategies based on the level of risk a user may desire. The user chooses the portfolio to utilize, determines their risk level, selects funds, and implements on their own. Rick Ferri, LLC receives no compensation from any investor who uses free Core-4® Portfolios.

Custom Core-4® Portfolios that are created for Industry Consulting Clients are charged hourly fees under the Industry Consulting rate. A separate annual licensing fee may also be charged when ongoing services are required to maintain those models. The licensing fee for maintenance is negotiable based on the scope of each project.

Custom Core-4® Portfolios for individual clients and client referrals from advisers fall under Section 202(a)(11) of the Advisers Act. This requires a separate engagement with FERRI INVESTMENT SOLUTIONS as outlined in ADV Part 2A, Item 4(A), Advisory Business.

Core-4® Portfolios take up little of Mr. Ferri's time and produces negligible income.

### **Publishing and Speaking**

Mr. Ferri publishes books and is paid royalties. The following is a list of his current books:

- Serious Money, Straight Talk about Investing for Retirement (self-published)
- All About Index Funds (McGraw-Hill)
- Protecting Your Wealth in Good Times and Bad (McGraw-Hill)
- All About Asset Allocation (McGraw-Hill)
- The ETF Book (Wiley)
- The Power of Passive Investing (Wiley)
- The Bogleheads Guide to Retirement Planning (Wiley, co-authored – no royalties are earned)
- A Few Good Funds (pending self-published)

From time to time, Mr. Ferri also accepts compensation as a paid contributor to media publications. These include Forbes and the Wall Street Journal in the past. He also receives honorariums for speaking engagements.

Publishing and speaking do not take up a substantial amount of time or provide a substantial amount of Mr. Ferri's income.

## **ITEM 5: ADDITIONAL COMPENSATION**

Mr. Ferri is provided additional compensation for the three services disclosed in Item 4. He is not compensated for advisory services involving performance-based fees and does not accept or receive additional economic benefits such as incentive trips, technology services, material goods, etc. Neither the Firm nor Mr. Ferri has a material relationship with an issuer of any security.

## **ITEM 6: SUPERVISION**

Mr. Ferri is the sole owner and employee of Ferri Investment Solutions and is responsible for all aspects of the Firm, including complying with state and federal regulatory rules. The Firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest. Accordingly, the Firm employs policies and procedures to ensure what is believed to be appropriate recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary.