

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

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Date: March 17, 2023

This brochure provides information about the qualifications and business practices of Ferguson Financial Planning. If you have any questions about the contents of this brochure, please contact Troy Ferguson by e-mail, [troy@fergusonfp.com](mailto:troy@fergusonfp.com) or phone, 214-502-7404. 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 Ferguson Financial Planning is also available on the SEC's website at [www.adviser.sec.gov](http://www.adviser.sec.gov).

## Item 2 Material Changes

There is one material change to report since my last ADV II filing in March 2022.

Goldman Sachs has finalized its purchase of Folio Institutional. The re-branding process is not finalized yet so you may see “Goldman Sachs” on some forms and in some areas of the website and “Foliofn or Folio Institutional” on some forms and in some areas of the website. Folio Institutional is now Goldman Sachs so consider them the same entity on any information you receive.

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#### Item 4 Advisory Business

I, Troy Ferguson, am the sole owner of Ferguson Financial Planning. I began operations on October 1, 2004.

##### General Information about Me

Born 1973.

Education: Bachelor of Science and Distinguished Graduate of the United States Military Academy at West Point (1995), Certificate in Financial Planning from Florida State University (2001), Masters of Arts in Ministry from American Christian College and Seminary (2005).

Business background for previous five years: Owner, Ferguson Financial Planning.

##### Types of Advisory Services Offered

I operate primarily (approximately 85% of my work hours) as an investment advisor and portfolio manager. Secondly (about 5% of my time), I engage in other financial planning services to include college planning, budgeting, insurance needs analysis, retirement planning, and other areas as needed / desired by clients. The remaining 10% of my work time is occupied with other parts of operating the business: complying with regulations, filing paperwork, talking on the phone, replying to e-mails, etc.

Compensation is "fee-only". In other words, I do not sell any product, take commissions, or accept payment for referrals. I receive no monetary compensation other than that provided by you, my client.

I am not an attorney or accountant. I cannot offer specific legal or accounting advice. All recommendations should be discussed with your attorney, accountant, or licensed insurance agent as appropriate. While I may, for customer service purposes, provide you with documents such as 1099s, 8949s, and excel spreadsheets detailing cost basis information that are generated by Goldman Sachs, it is your responsibility to verify these documents before filing your taxes.

##### Client Assets Under Management (rounded to the nearest whole dollar)

As of market close on December 31, 2022: \$43,622,283

- Assets under management custodied by Goldman Sachs: \$42,690,852
- Assets under management held by custodians other than Goldman Sachs: \$931,431

### Assets custodied by Goldman Sachs

I manage five investment models through Goldman Sachs' advisor platform: Global Growth Folio, Global Income Folio, Precious Metals / Real Assets Folio, Holding Location Folio, and US Treasuries Folio. I have full discretion on what securities are held within these Folios. As of market close on December 31, 2022, over 97% of assets under management are custodied by Goldman Sachs.

I personally own the Global Growth, Global Income, Precious Metals / Real Assets, and US Treasuries Folios in my personal accounts. While I do not currently (as of March 17, 2023) own the Holding Location Folio, I may choose to do so at anytime.

Clients with brokerage accounts at Goldman Sachs typically own some combination of the five Folios listed above. Clients, with my assistance, determine a baseline asset allocation mix that fits their personal situation. For example, your personal investment statement might read as:

“The Client agrees to an asset allocation mix of 45-65% Global Growth Folio, 25-45% Global Income Folio, 10-20% Precious Metals / Real Assets Folio, and 0-10% Holding Location Folio. The Client agrees to promptly notify Troy Ferguson if events occur which warrant a change to this asset allocation mix. Troy Ferguson will notify the Client if he believes changes are needed to the asset allocation mix.”

I work within these guidelines when investing your funds. If I ever believe it is in your best interest to change your personal investment statement, I will contact you. If you ever want to change your personal investment statement, please contact me.

You may impose restrictions on what assets I am authorized to buy for your accounts. You can do so by listing them in your contract under the “security exclusions” section. Or, you may do so at anytime via phone or e-mail.

### Assets held by custodians other than Goldman Sachs

I work with clients on a case by case basis for assets custodied outside of the Goldman Sachs' platform.

## Item 5 Fees and Compensation

Investment advisory services are provided for a fee based on assets under management. For clients with accounts at Goldman Sachs, the annual advisory fee is as follows:

Percentage	Assets under management
1.20%	\$0 to \$75,000.00
0.95%	\$75,000.01 to \$125,000.00
0.80%	\$125,000.01 to \$250,000.00
0.75%	\$250,000.01 to \$500,000.00
0.65%	\$500,000.01 to \$1,000,000.00
0.55%	\$1,000,000.01 and up

Billing occurs on a quarterly basis. Fees are charged in advance and are based on the closing value of your account on the last day of the previous billing cycle. For example, if your closing balance on December 31, 2022, was \$100,000, then your advisor fee for the 1st quarter of 2023 will be \$284.37. This figure is calculated as such  $(\$75,000 * 1.20\%) / 4 + ((\$100,000 - \$75,000.01) * 0.95\%) / 4 = \$284.37$ . Your advance billing statement will be posted to the filing cabinet in your online Goldman Sachs' account on or around the 5th day of the 1st month of each quarter (Jan, Apr, Jul, Oct). Billing is typically deducted from your account(s) within five business days of receiving this statement, generally around the 10th of the 1st month of each quarter (Jan, Apr, Jul, Oct). If you prefer to pay your advisor fees directly, rather than have them billed to your account, please notify me at least ten days before the end of the quarter.

You may choose to pay advisor fees outside of the automated billing program. By doing so, you will pay me directly (a check is fine) instead of out of account balances. Fee schedules are the same.

If I calculate your billing manually (for example, those of you with annuity accounts at Ameritas), I will personally calculate your quarterly fee and email you an invoice before billing your account(s).

For general financial planning services, clients are charged on an hourly basis not to exceed \$250 per hour.

While I hope to keep all of you satisfied, there will inevitably be instances where we'll part ways (hopefully as friends). In those cases, your investment contract may be terminated with 5 days written notice. Upon request, I'll refund pre-paid advisor fees on a pro-rated basis. In other words, if you terminate the contract on the last day of August, I will (at your request) refund your advisor fees for September. Remember that since you prepay by quarter, in July you pay advisor fees that cover July, August, and September.

You are subject to additional expenses such as brokerage and service fees charged by Goldman Sachs. You are advised of these expenses when opening an account. Specifically, when you sign the contract, I provide you a printout of current fees charged by Goldman

Sachs. You are also subject to annual expenses related to any mutual funds, closed end funds, or exchange traded funds that are purchased on your behalf.

I do not sell any variable annuity products; however, I will on a case by case basis manage investments within variable annuities if given third party authorization. I charge a maximum annual fee of 0.5% (billed quarterly at 0.125%) for this service.

Lower fees for comparable services may be available from other sources.

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

I do not receive any performance based fees.



Item 7 Types of *Clients*

My client list includes individuals, high net worth individuals, small businesses, and trusts.

I do not impose a minimum dollar value for starting or maintaining an account. Clients are screened on a case by case basis to determine compatibility.

Assets Custodied at Goldman Sachs

I manage five investment models through Goldman Sachs' advisor platform: Global Growth Folio, Global Income Folio, Precious Metals / Real Assets Folio, Holding Location Folio, and US Treasuries Folio. I have full discretion on what securities are held within these Folios. As of market close on December 31, 2022, over 97% of assets under management are custodied by Goldman Sachs.

I personally own the Global Growth Folio, Global Income Folio, Precious Metals / Real Assets Folio, and US Treasuries Folio in my personal accounts. While I do not currently (as of March 17, 2023) own the Holding Location Folio, I may choose to do so at anytime.

I am primarily a fundamental investor. I attempt to measure the intrinsic value of a security by examining everything that can affect its value including both macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management). My primary sources of information include annual reports, prospectuses, filings with the Securities and Exchange Commission, financial newspapers and magazines, financial blogs, company press releases, other professional investors, meetings with company management, and research material prepared by others.

My primary goal with our Folios is to grow assets while always taking risk into account. I am fond of saying, "It is not as important how much money you have after a bull market as it is how much money you have left after the bear has run its course." In other words, my goal is to perform over full economic cycles.

While I prefer holding securities for a long period of time (at least a year), I am not going to box myself into only doing so. I will hold securities for any period of time I deem appropriate.

I am willing to purchase a variety of securities to include stocks (both international and domestic), preferred stocks, bonds (both international and domestic, corporate and government), CDs, mutual funds, closed end funds, exchange traded funds (normally called ETFs), exchange traded notes (ETNs), real estate investment trusts (REITs), limited partnerships that trade on a stock exchange, commodity proxies, precious metals, currency ETFs, and warrants. To manage risk, I will at times take short positions via purchase of inverse ETFs, inverse ETNs, or "bear" mutual funds.

Here is brief description of the five Folios I manage at Goldman Sachs:

*Global Growth Folio*

The primary goal of our Global Growth Folio is capital appreciation over a full economic cycle. I primarily purchase stocks, which may or may not pay dividends. I do, however, possess the right to hold up to 100% in cash or bonds within the Global Growth Folio if I deem that appropriate risk management. In addition, I may hedge within the Global Growth Folio via inverse ETFs, inverse ETNs, and/or "bear" mutual funds. I also may hold precious

metals or commodities via stocks, mutual funds, ETFs, or ETNs. When you invest in the Global Growth Folio, you give me discretionary authority to make investment decisions on your behalf. I have great margin of freedom to invest your money (and, my money, since I also personally own the Global Growth Folio) into any security I deem best.

You can lose money investing in the Global Growth Folio. It is not risk free nor is it insured against loss. The Global Growth Folio is not invested with any indexes in mind. In other words, I do not even consider the composition of the S&P 500, Dow Jones Industrial Average, Nasdaq Composite, or any other index when making investment selections. As such, the Global Growth Folio may be less volatile than these indices at times and more volatile at other times.

### *Global Income Folio*

The primary goal of our Global Income Folio is current income. Secondary goals include capital appreciation and preservation of purchasing power. I, for the most part (although not always with 100% of our Global Income Folio), buy income producing securities within the Global Income Folio. Whereas in the early years of my business (2004-2008), the bulk of our holdings were bonds held via ETFs or closed end funds, over the past fourteen years, I've been increasingly willing to purchase income producing stocks and real estate investment trusts (REITs). Since I consider gold and silver "money", money that has endured for millennia, I am also comfortable owning some gold and silver via stocks and ETFs within our Global Income Folio. I also may own other tangible "real" assets within the Global Income Folio as a form of inflation protection. In addition, I may hedge within the Global Income Folio via inverse ETFs, inverse ETNs, and/or "bear" mutual funds. When you invest in the Global Income Folio, you give me discretionary authority to make investment decisions on your behalf. I have great leeway to invest your money (and, my money, since I also personally own the Global Income Folio) into any security I deem best.

You can lose money investing in the Global Income Folio. It is not risk free nor is it insured against loss. The Global Income Folio is not invested with any indexes in mind. In other words, I do not even consider the composition of something like the Vanguard Total Bond Market Index when making investment selections. As such, the Global Income Folio may be less volatile than that index at times and more volatile at other times.

### *Precious Metals / Real Assets Folio*

The primary goal of our Precious Metals / Real Assets Folio is protection against currency debasement and government insolvency. A secondary goal is capital appreciation. I primarily purchase precious metals (both physical and miners) and other hard assets for this Folio. I define hard assets as tangible, physical items; items such as physical commodities and commodity related stocks. I do, however, possess the right to hold up to 100% in cash or bonds within the Precious Metals / Real Assets Folio if I deem that appropriate risk management. In addition, I may hedge within the Precious Metals / Real Assets Folio via inverse ETFs, inverse ETNs, and/or "bear" mutual funds. When you invest in the Precious Metals / Real Assets Folio, you give me discretionary authority to make investment decisions

on your behalf. I have great margin of freedom to invest your money (and, my money, since I also personally own the Precious Metals / Real Assets Folio) into any security I deem best.

You can lose money investing in the Precious Metals / Real Assets Folio. It is not risk free nor is it insured against loss. The Precious Metals / Real Assets Folio is not invested with any indexes in mind. In other words, I do not even consider the composition of the S&P 500, Dow Jones Industrial Average, Nasdaq Composite, the Rogers<sup>TM</sup>-Van Eck Natural Resources Index, the NYSE Arca Gold BUGS Index or any other index when making investment selections. As such, the Precious Metals / Real Assets Folio may be less volatile than these indices at times and more volatile at other times.

I expect the Precious Metals / Real Assets Folio to be very volatile. 25% plus swings (both up and down) in any given quarter should not be unexpected.

#### *Holding Location Folio*

The primary goal of the Holding Location Folio is capital preservation with secondary objectives of income and preservation of purchasing power. This Folio “hatched” when the Federal Reserve dropped interest rates to near 0%. As a result, short term CD rates fell to near 0% as well. This portfolio is primarily used by clients who want the potential for some return with lower risk / volatility than with the Global Growth, Global Income, and Precious Metals / Real Assets Folios. Examples include retired clients who keep 1-3 years of expected draws in the Holding Location Folio and younger clients who are saving for a car or down payment for a house. I can hold up to 100% of the Folio in cash, but I also have discretion to purchase other, principally income producing securities when I deem it appropriate. I also may own tangible “real” assets within the Holding Location Folio as a form of inflation protection. In addition, to manage risk, I may hedge within the Holding Location Folio via inverse ETFs, inverse ETNs, and/or “bear” mutual funds. When you invest in the Holding Location Folio, you give me discretionary authority to make investment decisions on your behalf. I have great leeway to invest your money into any security I deem best. As of March 17, 2023, I do NOT personally own the Holding Location Folio.

You can lose money investing in the Holding Location Folio. It is NOT risk free nor is it insured against loss. The Holding Location Folio is not invested with any indexes in mind.

#### *US Treasuries Folio*

The primary goal of the US Treasuries Folio is capital preservation with secondary objectives of income and preservation of purchasing power. This portfolio is primarily used by clients who want to own US Treasuries. The Folio will be invested in a combination of US Treasuries (mostly through ETFs) and FDIC insured cash accounts.

You can lose money investing in the US Treasuries Folio. It is NOT risk free nor is it insured against loss. The US Treasuries Folio is not invested with any indexes in mind.

Assets held by custodians other than Goldman Sachs

I work with clients on a case by case basis for assets custodied outside of Goldman Sachs' platform.

I cannot guarantee that my advisory services will result in your goals and objectives being met.

I cannot guarantee profit or protection from loss.

Item 9      Disciplinary Information

Neither I nor my firm have been or are subject to any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

None.

Business Philosophy (Code of Ethics)

My business philosophy (code of ethics) is summed up with a phrase your mom and grandma probably taught you: “Treat others as you want to be treated.” I do this in two primary ways:

- By limiting the size of the asset base I manage
- By personally owning the same Global Growth, Global Income, and Precious Metals / Real Assets Folios as clients with assets custodied at Goldman Sachs

It is important to control the size of the asset base I manage. Why? It is, in my opinion, much more difficult to outperform “Mr. Market” with \$10 billion in assets under management (let alone \$50 billion plus like some mutual funds) than it is with \$50 million under management.

My initial pledge remains. I will impose much more stringent controls on new clients once I reach \$40 million (2004 dollars) in active assets under management. Assuming inflation stays under control, I adjust this figure by 5% per year. As of 2023, the number is \$101 million. As of market close on December 31, 2022, reportable assets under management are \$43,622,283.

I have a personal interest in controlling the size of the asset base I manage. First, a large portion of my immediate family’s investment assets are in the Global Growth, Global Income, Precious Metals / Real Assets, Holding Location, and US Treasuries Folios. Second, I do not want the hassle of managing a large staff of employees. I value my lifestyle and freedom of travel.

Before taking over Berkshire Hathaway, Warren Buffett ran an investment partnership. In his 1963 letter to partners, he wrote,

- “Our investments will be chosen on the basis of value, not popularity.”
- “We will attempt to bring risk of permanent capital loss (not short-term quotation loss) to an absolute minimum by obtaining a wide margin of safety in each commitment and a diversity of commitments.”
- “My wife, my children and I will have virtually our entire net worth invested in the partnership.”

While I did not organize as a partnership for a plethora of reasons (primarily legal and regulatory hassles), I bring a similar attitude to our relationship. I “eat my own cooking” by personally owning the Global Growth, Global Income, and Precious Metals / Real Assets Folios.



Note about Owning the Same Securities That You Own

I regularly buy and sell securities for my personal accounts that are identical to those that I buy and sell within your personal accounts. An integral part of my business plan is that you subscribe to the same model Folios (Global Growth, Global Income, and Precious Metals / Real Assets Folios) that I do. We own the same securities. I will not engage in trading activities that place my interests above your interests.

Item 12 Brokerage Practices

I regularly recommend clients open accounts at Goldman Sachs as my firm has established systems in place to actively manage accounts that are custodied there. I do not receive any compensation from Goldman Sachs.

I am comfortable with the “best execution” practices at Goldman Sachs. You can learn more about their execution and clearing practices at their website. If you’d like to see that information and have trouble finding it, please send me an e-mail and I’ll reply with a direct link.

I am also comfortable with the fee structures at Goldman Sachs. Goldman Sachs’ platform is unique in the industry. I personally pay the same fee structure to Goldman Sachs on my personal accounts that you pay.

Item 13 Review of Accounts

You have 24 hour per day access to your investment accounts online. The Goldman Sachs' system offers performance reporting features that you can access at your convenience. Unless requested, I will not provide you with performance reporting data for your individual investment accounts.

For all investment advisory clients, I review your investment accounts on an annual basis (typically January) to ensure compliance with the guidelines agreed to in your contract. If you experience large fluctuations in your portfolio during the year, this can certainly trigger an other than normal annual review.

For clients who choose to utilize my financial planning services, I use the MaxiFi platform. You can learn more about them through my website at <http://www.fergusonfp.com/about.html>.

Item 14 *Client Referrals and Other Compensation*

I offer no compensation or economic benefit of any kind to anyone for providing referrals.

If I ever refer you to someone, I do not receive any compensation from that person.

Item 15 *Custody*

Your discretionary investment contract authorizes me to bill your accounts the advisor fees outlined on pages 6-7 of this document. If you prefer, you may elect to pay advisor fees directly rather than having them billed to your account.

None of our money is pooled in any manner. You login to your individually owned brokerage account at Goldman Sachs. Goldman Sachs is an independent, 3<sup>rd</sup> party custodian of your assets.

I do not generate or provide you with account statements. Goldman Sachs (or other 3<sup>rd</sup> party custodians) provides you with account statements to include trading confirmations, monthly statements, and year end documents. Please carefully review these documents and notify me immediately if you have any questions or concerns.

Item 16 Investment Discretion

I will act on your behalf on a discretionary basis (type of security and amount of security). In other words, I will not call and ask you if I can place a trade in your account. You've given me authority to make those decisions on your behalf.

I will act with my best judgment to meet the objectives listed in your personal investment statement (Exhibit 1 of your contract). You can limit (or cancel) my discretionary authority by contacting me.

You receive a copy of my proxy voting policy each year. Here is the latest update.

Proxy Voting Policy  
Updated March 15, 2023

**Voting Client Proxies**

Ferguson Financial Planning will vote client proxies as the firm deems appropriate unless the client opts out either through the initial written contract or through later communications. Clients may opt out at anytime at which point Ferguson Financial Planning will no longer vote any proxies for that client.

**General Philosophy Behind Votes**

Ferguson Financial Planning will not vote all proxies. As small investors, it is the firm's belief that we rarely have the ability to influence corporate behavior. For example, there is seldom any monetary gain to be realized by attempting to sway the results of a merger vote. Instead of regularly voting proxies, we simply choose either to continue to hold or to sell your shares.

However, when the firm believes it is beneficial to vote a proxy, Ferguson Financial Planning will vote authorized client shares as we deem appropriate. Ferguson Financial Planning has not contracted with any outside agencies for guidance in this arena.

**Material Conflicts of Interest**

Because of the firm's size and business plan, we do not anticipate experiencing any material conflicts of interest. However, if a material conflict arises, we will endeavor to inform any affected clients of that potential conflict in advance and mutually agree on an acceptable manner of handling the potential conflict. We will not vote a proxy where we are aware of a material conflict of interest unless the client has approved our actions in advance, after being informed of the potential conflict.

**How to Obtain Voting Information**

Any client who would like to obtain information regarding how we voted a particular proxy on their behalf should contact the firm. The firm will maintain written records of proxies we place votes on within our office. We will not maintain written records within our office of proxies we do not vote.

Item 18 Financial Information

Not required.



Item 19 Requirements for State-Registered Advisers

None.