

# Item 1: Cover Page



## **Form ADV Part 2A – Firm Brochure**

120 Picardy Ln  
Wheeling, IL 60090  
(312) 554-5889

May 5th, 2023

This Brochure provides information about the qualifications and business practices of Outside The Box Financial Planning, LLC, "OTBFP." If you have any questions about the contents of this Brochure, please contact us at (312) 554-5889. 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.

Outside The Box Financial Planning, LLC is registered as an Investment Adviser with the State of Illinois. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about OTBFP is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm's identification number 290255.

## Item 2: Material Changes

The last annual update of this Brochure was filed on March 28, 2022. Since this filing, the following changes have been made to this version of the disclosure brochure:

- The firm has updated their fees for Comprehensive Financial Planning. See Item 5 for further information.

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators. Either this complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Outside the Box Financial Planning.

# Item 3: Table of Content

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Content	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	7
Item 6: Performance-Based Fees and Side-By-Side Management	8
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	9
Item 9: Disciplinary Information	11
Item 10: Other Financial Industry Activities and Affiliations	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Item 12: Brokerage Practices	13
Item 13: Review of Accounts	17
Item 14: Client Referrals and Other Compensation	17
Item 15: Custody	17
Item 16: Investment Discretion	18
Item 17: Voting Client Securities	18
Item 18: Financial Information	18
Item 19: Requirements for State-Registered Advisers	18
Form ADV Part 2B – Firm Brochure Supplement	21

# Item 4: Advisory Business

## Description of Advisory Firm

Outside The Box Financial Planning, LLC is registered as an Investment Adviser with the State of Illinois. We were founded in September 2017. Ivan Havrylyan is the principal owner of OTBFP. OTBFP currently reports \$4,510,638 discretionary and no non-discretionary Assets Under Management as of December 31, 2022.

## Types of Advisory Services

### Comprehensive Financial Planning

This service involves working one-on-one with a planner over an extended period of time. By paying a fixed monthly fee, the clients get to work with a planner who will help them to design their plan. The planner will monitor the plan, recommend appropriate changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, credit scores/reports, employee benefits, college planning, retirement planning, insurance, investments, tax, and estate planning. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the client's convenience. The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed-upon action steps have been carried out. On an annual basis, there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

### Financial Planning

We provide financial planning services on topics such as business planning, retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this

type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit, along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Planning:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state, or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

### **Investment Management Services**

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. This service has no minimum account size requirements and will be offered to all clients. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Investment Advisory Services (Third Party Advisers/Outside Managers)**

We also offer investment advisory services by recommending clients, where appropriate, to third-party money managers (“Outside Managers”) for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager, and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the client periodically to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current

situation (income, tax levels, and risk tolerance levels) and is used to construct a client-specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

## **Item 5: Fees and Compensation**

Please note, unless a client has received the firm's disclosure brochure at least 48 hours before signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

### **Comprehensive Financial Planning**

Comprehensive Financial Planning consists of an upfront charge of between \$3,250 and \$10,000 and an ongoing fee that is paid monthly, in advance, at the rate of \$200 to \$500 per month. OTBFP will not bill an amount above \$500.00 six months or more in advance of the service being rendered. The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer, check, or credit card. This service may be terminated with 30 days' notice. Since this fee is paid in arrears, no rebate will be needed upon termination to account for any unearned fee.

For Comprehensive Financial Planning Clients, who also participate in Investment Management Services with assets under management of \$375,000 or more, no fee will be charged for Comprehensive Financial Planning and the service is included in the 1.00% annual advisory fee.

### **Financial Planning Hourly Fee**

The Financial Planning fee is an hourly rate between \$150 and \$300 per hour, depending on complexity. The fee may be negotiable in certain cases and is due at the completion of the engagement. In the event of early termination by the client, any fees for the hours worked will be due. Fees for this service may be paid by electronic funds transfer, check, or credit card.

### **Financial Planning Fixed Fee**

Financial Planning will generally be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$500 and \$10,000. The fee is negotiable. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due upon completion of work, however, OTBFP will not bill an amount above \$500.00 six months or more in advance. Fees for this service may be paid by electronic funds transfer, check, or credit card. In the event of early termination, any prepaid but unearned fees will be refunded to the client and no further fees will be charged.

### **Investment Management Services**

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
<b>Under \$150,000</b>	2.00% Investment Management Services Only
<b>\$150,001 - \$350,000</b>	1.50% Investment Management Services Only
<b>\$350,001 - \$500,000</b>	1.00% Investment Management Services Only
<b>\$500,001 and Up</b>	1.00% (Includes Comprehensive Financial Planning)

The annual fees are negotiable and are pro-rated and paid in arrears monthly. The advisory fee is a flat percentage of assets under management based fee. It is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart and applying the fee to the account value as of the last day of the month. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may pay by check or credit card. Accounts initiated or terminated during a calendar month will be charged a prorated fee based on the remaining time in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon the termination of the account.

Investment Management Services have no minimum. Clients with less than \$500,000 in assets under management will be limited to Investment Management Services only. Clients with \$500,000 or more in assets under management also received ongoing Comprehensive Financial Planning service included, if desired by the client.

### Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for clients' transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not offer performance-based fees.



## Item 7: Types of Clients

We provide comprehensive financial planning and portfolio management services to individuals, high net worth individuals, corporations or other business entities.

We do not have a minimum account size requirement.

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

When clients have us complete an Investment Analysis (described in Item 4 of this brochure) as part of their financial plan, our primary method of investment analysis is Passive Investment Management.

### Passive Investment Management

We primarily practice passive investment management. Passive investing involves building portfolios that are made up 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 exchange-traded funds.

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. Academic research indicates most active managers underperform the market.

### Recommendation of Particular Types of Securities

As disclosed under the Advisory Business section in this brochure, we primarily recommend mutual funds and exchange-traded funds (ETFs). However, we may recommend other types of investments as appropriate. Each type of security has its own unique set of risks associated with it. Please see below for Material Risks Associated with Securities.

### Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. The material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors, or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed-income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

### Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange-Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the clients invest.

**Investment Companies Risk.** When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Beyond Your Hammock LLC or the integrity of our management. We have no information applicable to this Item.

## Item 10: Other Financial Industry Activities and Affiliations

No OTBFP employee is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

No OTBFP employee is registered or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

OTBFP does not have any related parties. As a result, we do not have a relationship with any related parties.

OTBFP only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

Ivan Havrylyan is licensed to sell life and health insurance, however, he is no longer affiliated with any insurance companies and will not sell any insurance products to clients or prospective clients of OTBFP.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

## Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

## Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates, or any related person is authorized to recommend to a client or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

## Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable

securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

### **Trading Securities At/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days before the same security for clients.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Custodians and/or Broker-Dealers**

Outside The Box Financial Planning, LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

#### **1. Research and Other Soft-Dollar Benefits**

We currently do not receive soft dollar benefits.

#### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve the most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian.

### **Third-Party Management – Brokerage Practices**

#### **The Custodian and Brokers We Use (Betterment for Advisors)**

Outside The Box Financial Planning, LLC does not maintain custody of your assets that we manage. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We contract with Betterment for Advisors (MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC), a digital wealth management platform serving independent investment advisory firms by providing automated portfolio management tools. As such, we may recommend that our clients use Betterment as a qualified custodian. In these cases, Betterment serves as sub-advisor to our end clients ("Clients"). Betterment utilizes algorithms in the course of providing its automated portfolio management services.

We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we may recommend that you use Betterment Securities as custodian/broker, you will decide

whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment for Advisors (defined below).

The specific services provided by Betterment for Advisors and Betterment Securities include:

- **Goal-Based Investment Management:** Betterment’s goal-based investment platform allows advisors and Clients to establish and implement multiple distinct investment goals for each Client and facilitates advisors’ creation of different investment portfolios tailored to achieve each goal;
- **Portfolio Construction Tools:** Advisors and Clients have access to a diversified portfolio of low-cost, index-tracking exchange-traded funds, and can select specific strategies and appropriate allocation models for each investment goal;
- **Automated Investment Management Services:** Betterment’s Software automates back-office tasks such as trading, portfolio management, tax-loss harvesting, and account rebalancing;
- **Trading and Custody Services:** Betterment Securities handles the execution of securities transactions and maintains custody of Client assets;
- **Website and Mobile Application:** Betterment for Advisors’ website and mobile application provides a platform for account access and monitoring, delivery of account documentation and notices, and facilitation of communication between advisors and clients.
- **Advisor Dashboard:** Advisors have access to a dashboard for purposes of monitoring and managing Client accounts.

### **Brokerage and Custody Costs**

For our clients’ accounts that Betterment Securities maintains, Betterment Securities generally does not charge us separately for custody services but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. This fee is equal to 0.20% of the Client’s account balance (for amounts invested via the Betterment for Advisors platform), charged quarterly in arrears, for the services provided by Betterment and Betterment Securities. These fees cover all services provided by Betterment and Betterment Securities, including advisory services, custody of assets, execution, and clearing of transactions, and account reporting. Betterment collects these fees directly from Clients pursuant to the terms of the sub-advisory agreement between Betterment and each Client. We have determined that having Betterment Securities execute trades is consistent with our duty to seek the “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “Factors Used to Select Custodians and/or Broker-Dealers”).

### **Services Available to Us Via Betterment for Advisors**

Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform. This service has no minimum account size requirements and will be offered to all clients. Fees pertaining to this service are outlined in Item 5 of this brochure serving independent investment advisory firms like us. Betterment for Advisors also makes available various support services which may not be available to Betterment’s retail customers. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Betterment for Advisors’ support services are generally available on an

unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services.

1. **SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
  - Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
  - Provide access to client account data (such as duplicate trade confirmations and account statements).
  - Provide pricing and other market data.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment for Advisors, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events.
  - Consulting on technology, compliance, legal, and business needs.
  - Publications and conferences on practice management and business succession.

#### **Our Interest in Betterment Securities' Services**

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we don't have to pay for Betterment Securities' services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment for Advisors and Betterment Securities' services that benefit only us.

#### **Why OTBFP Chose Betterment for Advisors Over Other Third-Party Affiliations**

Betterment for Advisors provides a fully-integrated strategy that offers both operational and cost efficiencies. Advisors and Clients can access a set of services specifically designed to work together and may be able to achieve cost savings as compared to the cost of assembling these services separately.

#### **Potential Conflicts or Disadvantages Resulting from the Use of Betterment for Advisors**

By using Betterment for Advisors, we may be offered services intended to help us manage and further develop our business enterprises, such as certain back-office services that benefit us but may not directly benefit our clients, invitations to educational conferences and events, and assistance with business or compliance needs. As such, we may have an incentive to recommend that clients invest through the Betterment for Advisors platform

based on OTBFP's interest in receiving Betterment's and Betterment Securities' services that benefit our business. This is a potential conflict of interest.

Betterment also has a "retail" offering whereby it offers advisory services directly to clients. Investors who are clients of Betterment's retail offering do not receive the additional services that OTBFP provides over and above the services offered via the Betterment for Advisors platform.

Betterment Retail clients also do not pay any fees to the advisor, and instead, pay only the wrap fees charged by Betterment for its services to retail clients.

### **Certain Limitations of the Betterment for Advisors Platform**

The Betterment for Advisors offering has certain limitations that potential Clients should consider. Currently, the only available investments on the Betterment for Advisors platform are exchange-traded funds. OTBFP's ability to customize portfolios is limited to adjustments between stock and bond exchange-traded funds preselected by Betterment. Clients are not able to access or invest in securities other than exchange-traded funds using the Betterment for Advisors platform.

If it is determined that investments other than in exchange-traded funds are suitable and/or necessary to achieve a Client's investment goals, OTBFP will make investments outside of the Betterment for Advisors platform. Such investments will be considered in light of individual Client needs.

In addition, when using the Betterment for Advisors platform, advisors and Clients are subject to the trading policies and procedures established by Betterment. These policies and procedures may limit OTBFP's ability to control, among other things, the timing of the execution of certain trades within Client accounts.

### **The Custodian and Brokers We Use (TD Ameritrade)**

OTBFP participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between OTBFP's participation in the program and the investment advice it gives to its clients, although OTBFP receives economic benefits through its participation in the program that is typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving OTBFP participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to OTBFP by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by OTBFP's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit OTBFP but may not benefit its client accounts. These products or services may assist OTBFP in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help OTBFP manage and further develop its business enterprise. The benefits received by OTBFP or its personnel through participation in the program do not depend on the number of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, OTBFP endeavors at all times to put the interests of its



clients first. Clients should be aware, however, that the receipt of economic benefits by OTBFP or its related persons in and of itself creates a potential conflict of interest and may indirectly influence OTBFP's choice of TD Ameritrade for custody and brokerage services.

### Aggregating (Block) Trading for Multiple Client Accounts

Generally, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading").

## Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly every quarter by Ivan Havrylyan, Founder and CCO. The account is reviewed with regard to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be an unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Outside The Box Financial Planning, LLC will not provide written reports to the client.

## Item 14: Client Referrals and Other Compensation

We receive a non-economic benefit from Betterment for Advisors and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of Betterment for Advisors and Betterment Securities' products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We receive a non-economic benefit from TD Ameritrade in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at TD Ameritrade. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of TD Ameritrade's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15: Custody

OTBFP does not accept custody of client funds.

Clients should receive at least quarterly statements from the broker-dealer, bank or another qualified custodian that holds and maintains the client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the number of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

## Item 17: Voting Client Securities

We do not vote for Client proxies. Therefore, Clients maintain exclusive responsibility for (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

## Item 19: Requirements for State-Registered Advisers

Ivan Havrylyan

Born: 1990

### Educational Background

- 2012 - Bachelor of Science - Finance, Northeastern Illinois University
- 2010 - Associate of Arts - Accounting, Harper College

### Business Experience

- 09/2017 – Present, Outside The Box Financial Planning, LLC, Founder and CCO
- 01/2020 - 04/2020, BG FIT LLC, Co-Owner
- 06/2014 – 10/2017, Securities America, Financial Consultant
- 12/2014 – 04/2015, H & R Block, Tax Preparer
- 09/2012 – 08/2017, Personal Financial Strategies, Inc, Financial Consultant

### Professional Designations, Licensing & Exams

- **CFP (Certified Financial Planner)<sup>®</sup>**: CFP certificants must have a minimum of three years of work experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by the CFP Board. They must pass a comprehensive two-day, 10-hour CFP<sup>®</sup> Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP practitioners agree to abide by a strict code of professional conduct.

### Other Business Activities

Ivan Havrylyan is not involved in any Outside Business Activities.

### Performance-Based Fees

OTBFP is not compensated by performance-based fees.

### Material Disciplinary Disclosures

No management person at Outside The Box Financial Planning, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization or administrative proceeding.

### Material Relationships That Management Persons Have With Issuers of Securities

Outside The Box Financial Planning, LLC, nor Ivan Havrylyan have any relationship or arrangement with issuers of securities.

### Additional Compensation

Ivan Havrylyan does not receive any economic benefit from any person, company, or organization in exchange for providing clients advisory services through OTBFP.

### Supervision

Ivan Havrylyan, as Founder and Chief Compliance Officer of OTBFP, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

#### **Requirements for State Registered Advisers**

Ivan Havrylyan has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

**Item 1: Cover Page**



## Form ADV Part 2B – Firm Brochure Supplement

*For*

**Ivan Havrylyan - Individual CRD# 6126509**

120 Picardy Ln  
Wheeling, IL 60090  
(312) 554-5889

May 5th, 2023

This brochure supplement provides information about Ivan Havrylyan that supplements the Outside The Box Financial Planning, LLC (“OTBFP”) brochure. A copy of that brochure precedes this supplement. Please contact Ivan Havrylyan if the OTBFP brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Ivan Havrylyan is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6126509.

## Item 2: Educational Background and Business Experience

### Ivan Havrylyan

Born: 1990

#### Educational Background

- 2012 - Bachelor of Science - Finance, Northeastern Illinois University
- 2010 - Associate of Arts - Accounting, Harper College

#### Business Experience

- 09/2017 – Present, Outside The Box Financial Planning, LLC, Founder and CCO
- 01/2020 - 04/2020, BG FIT LLC, Co-Owner
- 06/2014 – 10/2017, Securities America, Financial Consultant
- 12/2014 – 04/2015, H & R Block, Tax Preparer
- 09/2012 – 08/2017, Personal Financial Strategies, Inc, Financial Consultant

#### Professional Designations, Licensing & Exams

- **CFP (Certified Financial Planner)®**: CFP certificants must have a minimum of three years of work experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by the CFP Board. They must pass a comprehensive two-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP practitioners agree to abide by a strict code of professional conduct.

#### Item 3: Disciplinary Information

No management person at Outside The Box Financial Planning, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization or administrative proceeding.

#### Item 4: Other Business Activities

Ivan Havrylyan is not involved in any Outside Business Activities.

#### Item 5: Additional Compensation

Ivan Havrylyan does not receive any economic benefit from any person, company, or organization in exchange for providing clients advisory services through OTBFP.

#### Item 6: Supervision

Ivan Havrylyan, as Founder and Chief Compliance Officer of OTBFP, is responsible for supervision. He may be contacted at the phone number on this brochure supplement.

### **Item 7: Requirements for State Registered Advisers**

Ivan Havrylyan has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.