



3401 Evanston Ave N
Seattle, WA 98103

DISCLOSURE BROCHURE/ADV PART 2, Item 2

Dated: 03/22/2020

CRD # 165709

This Brochure is provided pursuant to Washington State Department of Financial Institutions Securities Division requirements and provides information about the qualifications and business practices of Howe Financial Advisory, LLC (the Firm) and is intended for Clients and prospective clients of the Firm.

If you have any questions about the contents of this brochure, please contact Trish Howe at (206) 755-4489 or trish@howefinancialadvisory.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note that registration does not imply a certain level of skill or training.

The principal owner of Howe Financial Advisory, LLC is Patricia Emerson Howe. The firm is an LLC in the State of Washington and there are no subsidiaries.

Additional information about Howe Financial Advisory, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Information is also available at www.HoweFinancialAdvisory.com

Item 2: Material Changes

Material Changes:

Prior to this filing the last update of Form ADV Part 2 ("Brochure") was on February 28, 2019. The following notable and/or material changes have been made to our Brochure:

- There are no changes to report at this time.

Form ADV Required Contents

	Page
• Item 1: Cover Page	1
• Item 2: Material Changes	1
• Item 3: Table of Contents	2
• Item 4: Advisory Business	3
Description of Business	3
Services Offered	3
▪ Personal Financial Consulting	3
▪ Personal Financial Planning	3
▪ Investment Management	4
• Item 5: Fees and compensation	4-5
• Item 6: Performance-Based Fees and Side-by-Side Management	5
• Item 7: Types of Clients:	5
• Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss	5
• Item 9: Disciplinary Information	6
• Item 10: Other Financial Industry Activities and Affiliations	6
• Item 11: Code of Ethics, Participating or Interest in Client Transactions and Personal Trading	6
• Item 12: Brokerage Practices	6
• Item 13: Reviews of Accounts	6
• Item 14: Client Referrals and Other Compensation	7
• Item 15: Custody	7
• Item 16: Investment Discretion	7
• Item 17: Voting Client Securities (Proxy Voting)	7
• Item 18: Financial Information	7
• Item 19: Requirements for State Registered Advisers	7-9
○ Required Disclosures for Principal/Management Persons	7
○ Education/Professional Designations/Licenses	8
○ Requirements to become a CFP®	8
○ Other business activities	9
○ Relationship with issuers of Securities	9
○ Privacy Policy	9
▪ Item 20: Communications Policy	9

Item 4: Advisory Business

Description of Business: Howe Financial Advisory, LLC (the Firm) is an independent investment advisory firm registered with the Washington State Department of Financial Institutions and governed by the Securities Act of Washington. It is a new firm established on September 24, 2012 with the Washington State Secretary of State as an LLC. The sole office of the Firm is located at:

ATRIUM OFFICES, 3401 Evanston Avenue N., Suite B, Seattle, WA 98103

As of December 31, 2019, Howe Financial Advisory, LLC has approximately \$10,625,546 in assets under management for clients using Investment Management Services, all of which are managed with full discretion. All clients are individual investors and include high net worth individuals.

SERVICES OFFERED

This disclosure brochure covers the following services offered by the Firm and will be provided to Clients at least 48 hours in advance of engaging in a Service Agreement.

1. **Personal Financial Consulting** involves counsel, analysis and/or research provided on an hourly basis at *\$200 per hour* and does not include investment management services or comprehensive financial planning. This service is highly customized with advice unique to each client based on their inquiries and current situation. The advice is objective, professional, and might include topics such as:
 - Review, definition and prioritization of financial goals.
 - Strategies to achieve goals.
 - Debt management.
 - Risk tolerance and investment objectives.
 - Review of existing portfolio assets and allocations.
 - Asset allocation.
 - Diversification.
 - Fee analysis of current portfolios, products.
 - Account structure/management.
 - Adviser and brokerage platforms available in the market.
 - Tax-advantaged investment techniques.
 - Cash flow management.

Clients often choose to discuss topics specific to certain challenges they experience in managing financial matters or to discuss those related to certain decisions they may be involved in making. *Clients are responsible for implementation of any or all actions discussed, and it is assumed they will be implemented with qualified licensed professionals who are adhering to all regulations, suitability and fiduciary rules that govern them.*

2. **Personal Financial Plans** are provided on a fee basis and begin at a *minimum fee of \$1,850*. This service may be conducted considering single or multiple financial goals including retirement planning, generating cash flow, education funding, and addressing estate planning issues. **The base service involves 3 sessions with Client and Adviser, up to 6 hours in total, and covers Advisor time involved in preparation of the Plan. Complex Plans that require additional time will have hourly charges of \$200/hour for time above the Base Plan estimate.**

As a Certified Financial Planning Professional, or CFP®, Trish Howe follows the steps recommended by the CFP® Board of Standards in preparing, delivering and monitoring a financial plan. These steps are:

- a. Gather relevant data.
- b. Define goals and determine assumptions upon which the plan will be based.
- c. Analyze and evaluate current financial status.
- d. Develop and present written recommendations.
- e. Discuss and explain impact of recommendations on Client's ability to meet goals and objectives.
- f. Recommendations for *client implementation and action*.

Clients are responsible for gathering their current financial data used in the Plan, and for updating this information if there are material changes during the planning process. Any changes in financial status must be submitted to Adviser prior to delivery of the Plan in order to be included. Mutually agreed upon assumptions will be made about portfolio earnings rates, inflation and estimated living and other expenses. Client may change assumptions used in the analysis, which may differ from those recommended by the Adviser, if there is mutual agreement that the changes are sound and reasonable. The Client will have the discretion to accept, modify or reject any of the recommendations as presented. Like any plan, the Personal Financial Plan will not assure achievability of specific goals or reasonableness of assumptions used, however, it can provide Clients a framework in which to evaluate different financial decisions and consider the impact on specified financial goals. It is likely that actual results will differ from projections since it is not possible to accurately predict future variables. The Plan does require monitoring and updating in order to remain relevant on an ongoing basis. After the Plan is prepared and reviewed, the Client will decide whether to implement some or all the recommendations, and may, under separate agreement, retain the Firm for Personal Financial Consulting or Investment Management Services related to implementation of the Plan. If the Client is not using the Firm's Investment Management Service, it is assumed that *any actions taken on recommendations within the Plan will be done so with qualified, licensed professionals that ensure suitability and follow all regulations governing them*. The Firm will not be responsible for the outcome of investment strategies or financial decisions made by the Client with, or without, other advisors.

3. **Investment Management Service** is provided on a fully discretionary basis and fees are a percentage of the market value of assets managed. The Investment Management Services process uses the principles of asset allocation, diversification and cost-effective management to optimize results. The portfolios are managed by Howe Financial Advisory, LLC using individual securities, exchange traded funds and/or closed or open-ended mutual funds. All Investment Management Clients' portfolios will be managed according to the agreed upon *Investment Policy and Guidelines* which is part of the *Investment Management Agreement* signed at the beginning of the engagement. Clients may impose restrictions on investing in certain securities or types of securities. Client's assets are held at a third-party custodian/broker who sends account statements independently of Adviser reports, and provides reporting including account performance which is *before* the Adviser's management fee in the *Agreement*. **Clients are responsible for reviewing custodial statements at least quarterly.**

Item 5: Fees and Compensation

Howe Financial Advisory, LLC is compensated only by asset management fees, hourly and planning fees, depending on the services used. *Neither the Firm nor its representatives participate in any commissions or other fees which may be charged by custodians or managed funds.*

Personal Financial Consults:

\$200. per hour (with a 1 hour minimum) - The consult is one hour in length (50-60 minutes) and time scheduled beyond one hour will be pro-rated. Fees for Personal Financial Consults are not a negotiated fee.

Personal Financial Planning:

Minimum fee of \$1,850. which includes six hours of in-person consultation time including intake, review of Plan assumptions and revisions, and final review of recommendations. Fees for Plans vary upward from the base depending on client consultation time, complexity of portfolio assets, number of scenarios presented and other variables increasing the amount of Plan preparation. ***Fees in excess of the minimum will be based on a \$200. per hourly rate and will be estimated after the initial meeting.*** Once the engagement has been defined and the fees determined, a Financial Planning Agreement will be signed. Payment terms are **\$500 due at signing**, with the **remainder due upon completion of the Plan**. Fees for Plans are not a negotiated fee. Projects which are concerning only specific areas of financial planning will be provided under the Financial Consulting Agreement at the *hourly rate of \$200. per hour.*

Investment Management Service Fees:

\$1,000,000 and under:	1.00%
\$1,000,000 - \$2,000,000:	0.75%
\$2,000,000+	Negotiable with a maximum of 0.75%

The fee rate is applied to the ending quarterly account value (as published by the independent custodian of the assets named in the Investment Management Agreement) and divided by 4 (number of quarters in a year). Any partial quarters will be pro-rated based on a 90-day quarter or 360-day year. Fees are paid at the conclusion of each calendar quarter. Clients receive an invoice from the Firm and may pay by check made payable to Howe Financial Advisory, LLC. There is no direct debit of fees to the investment management account by the Firm. Clients should be aware that they may also be paying an internal investment management fee on certain securities that have imbedded management fees such as exchange traded, open-ended or closed-ended mutual funds. Client’s custodian may also charge brokerage and other account and transaction fees. Howe Financial Advisory, LLC and Patricia Emerson Howe receive no compensation for the sale of securities or other investment products including asset-based fees from any funds.

In all instances, adviser will deliver to client in-person, by US mail or email, a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. Also, adviser will include the name of the custodian(s) on the fee invoice. Adviser will send these to the client concurrent with the request for payment or payment of adviser’s advisory fees. These fees will not be reflected on clients custodial statement since they are billed directly to client.”

Item 6: “Performance-Based” and “Side-by-Side” Management

The Firm does not participate in any “performance based” fee arrangements where Advisor receives a share of capital gains or appreciation of the assets of the client or “side-by-side” management.

Item 7: Types of Clients

The Firm currently provides services primarily to high net worth individuals and may include trusts and retirement plans, and may also serve all types of individual investors, non-profit organizations and small businesses.

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

The methods of analysis and sources of information used are primarily fundamental research conducted by research companies, including the Client's custodian broker, and the portfolio management principles falling within the Modern Portfolio Theory investment philosophy. Also used as sources of information are:

- Research materials prepared by other professional sources.
- Financial magazines and newspapers.
- Corporate rating services.
- Company press releases.

The investment strategy is based on the Modern Portfolio Theory (MPT) set of principles that are broadly accepted as standard portfolio management practice in the investment industry. While the attempt is to maximize return and minimize risk in portfolios within specified investment guidelines, this investment strategy does involve risk and the potential for loss of principal. The MPT approach is to use various types of assets, which move up and down in different patterns, in order to mute the volatility involved in investing. The primary asset classes used within the equity market are large US and multinational stocks, small and mid-sized US companies, international developed and emerging markets and real estate securities. Within the fixed income market various types of bonds are used including corporate, government, certificates of deposit, high-yield and municipal bonds, which favoring individual securities to better control costs and principal fluctuation.

The Client's investment objective is two-fold: to match or exceed the return of corresponding asset indices, and at the same time, take steps to minimize the volatility of portfolio market value or "risk". Although this investment strategy is intended to produce returns in-line with a stated investment objective and risk profile, there is risk of loss in investing, and a risk of outcomes other than those intended.

Item 9: Disciplinary Information

There are no disciplinary events to report for Howe Financial Advisory, LLC. The registration record since 1983 for Owner and Investment Advisor Representative, Patricia Emerson Howe may be viewed at www.advisorinfo.sec.org. Please note registration does not imply a certain level of skill or training.

Item 10: Other Financial Industry Activities and Affiliations

Howe Financial Advisory, LLC holds no broker-dealer registration and does not hold any Futures related registrations. Howe Financial Advisory, LLC has no affiliations or relationships with broker-dealers or any securities dealers, investment companies or other pooled investment vehicles, other investment adviser or financial planners, futures commission merchant, accountant or law firm, or any other affiliation.

Item 11: Code of Ethics, Participation in Client Transactions, Personal Trading

A copy of the Firm's Code of Ethics under State Department of Financial Institution rules is provided to Clients on request.

Item 12: Brokerage Practices

Adviser receives no soft-dollar benefits nor does the Firm consider whether a client referral is received from a broker-dealer or third party in its recommendation of custodian/broker-dealers to Clients. The Adviser recommends a custodian/broker for custody and transaction services based on its understanding of competitive services, reporting and online tools offered by custodian/broker as well as execution prices and transaction fees. Not all advisers require their clients to use a particular custodian/broker. The Adviser does not have an economic benefit associated with its recommendation of a custodian/broker, nor

is there a material conflict of interest to the Client. If a Client does choose a broker/custodian other than that recommended by Adviser, Client may or may not receive more favorable custodial/brokerage service, fees or execution on transactions. The Firm does not aggregate the purchase or sale of securities for various client accounts and does not utilize brokerage services that allow for aggregated transactions.

Item 13: Review of Accounts

Adviser does not require that Clients open or maintain an account. The Adviser conducts a review of Investment Management Service Client accounts at least annually. This review is of Client's investment objectives, portfolio guidelines and target portfolio mix and is confirmed with Client in writing annually.

Reviews for Personal Financial Consulting and Planning clients are conducted by Client request. Personal Financial Plans may be reviewed for Clients who have completed a Plan in the past, by re-executing an Agreement for either Financial Planning or Consulting Services. Reviews for Personal Financial Consulting clients are provided on request as an hourly consultation.

Item 14: Client Referrals and Other Compensation

Adviser receives no client referrals, awards or compensation of any kind from custodian or any third party who may refer the Firm/Adviser to a client, nor does the Adviser compensate anyone for referral of Clients to the Firm or Adviser. Howe Financial Advisory, LLC does not receive compensation from any other investment advisors for recommending their services.

Item 15: Custody

Investments Management Service Clients' custodian/broker will be sending statements as requested by Client and are independent of Adviser reports. Adviser does not send out account statements. Clients should carefully review custodian statements. The Firm sends an invoice quarterly, showing the fee formula and total amount due for that quarter. All reports sent from the Firm are intended to be for explanatory purposes and as a supplement to custodian statements. Clients are strongly urged to compare reports from Adviser and account statements received from custodian/broker.

Item 16: Investment Discretion

Investment Management Services are provided on a discretionary basis. No other services offered by Adviser are discretionary. The discretionary authority used by the Adviser is authorized by the Client in the Investment Management Agreement and in the Account Agreements with custodian/broker, using their limited power of attorney authorization.

Item 17: Voting Client Securities

Clients using Investment Management Services will retain authority for voting of proxies and other corporate actions at the custodian/broker. Voting and corporate action material will be sent from custodian and Client may, and is encouraged to, contact Advisor for advice on the vote or action.

Item 18: Financial Information

Adviser does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. There is no financial condition that is reasonably likely to impair Advisor's ability to meet contractual commitments to Clients.

Item 19: Requirements for State Registered Advisers/Disclosures for Principal/Executive Officer/Management Person

Patricia Emerson Howe is the Principal and sole owner of the Firm (year of birth 1955). Since 1983, Trish has worked as a financial adviser for Merrill Lynch and Morgan Stanley and as a portfolio manager in the private client groups at U.S. Bank and Wells Fargo. Highlights of her education and certifications are listed below. Her licensing, employment and registration record since 1983 may be viewed at www.FINRA.org.

Education

- *University of Washington; B.A. Business Administration, Finance; 1977.*
- *University of Pennsylvania, Wharton School Executive Education, Investment Management Analyst Program; 2002. Certified Investment Management Analyst 2002-2012.*
- *Boston University Professional Education, Certified Financial Planner Prerequisites; 2008.*

Current Professional Designations

- Certified Financial Planner® Professional (CFP®); January 2010 – present.

NOTE: Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, Certified Financial Planner™, and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Current Licenses

- Investment Advisory Representative; 2004-present.

Requirements to Become a CFP®

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and several other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year);

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field.

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board’s enforcement process, which could result in suspension or permanent revocation of CFP® certification.

Other Businesses Actively Engaged In:

Patricia Emerson Howe, Managing Member of Howe Financial Advisory, LLC, is not actively engaged in any outside business activities. She is a joint owner of CBH, a sole proprietorship which holds a *private rental property managed by her spouse, Charles Blair Howe*.

Relationship with Issuers of Securities - None.

Privacy Policy

Howe Financial Advisory, LLC is committed to safeguarding the confidential information of all its clients.

The law under the Securities Act of Washington, and Federal law under which the Firm operates, requires that you are notified of how your information is collected, shared and protected. The Firm may collect nonpublic personal information about you which is required to fulfill legal and regulatory requirements and deliver your contracted financial services. Security measures are used which include multiple levels of safeguards on our physical and electronic devices. Information is not shared with any other entity in order to deliver these services other than to the extent that regulatory agencies governing the Firm audit and monitor the Firm. Any technicians performing services for the Firm to develop or maintain electronic systems are required to sign a nondisclosure agreement with the Firm to protect all data on Firm devices.

Statements and records provided by clients are safeguarded with several levels of physical security including Simplisafe® office security, locked files and offices. The Firm does not share sensitive personal identifiable information with vendors other than to the extent data is shared with data storage/back-up providers contracted by

the Firm whose privacy policies are retained by Firm. Data stored on Firm devices is safeguarded by malware, ransomware, firewall and protections from other major threats including spyware and phishing attacks to computers used.

Personal information is maintained only for the time The Firm is retained by the client and for the time required by federal and state securities laws which is generally 5 years.

Beyond use of your personal information within the Firm in order to conduct business, the Firm does not share this with affiliates, other financial companies or other entities with the exception of the governing regulatory body, Washington State Dept. of Financial Institutions and the data security providers mentioned above.

Item 20. Communications Policy

Advisor DOES NOT ACCEPT CORRESPONDENCE BY TEXT MESSAGING. Phone, US mail and email are all accepted. By signing an agreement and providing contact information, the Client is authorizing the Firm to communicate via US mail, telephone and electronic mail.