

# PVA FINANCIAL LLC

220 INDIAN TRAIL RD, OAK BROOK, IL 60523

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

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

(773) 825-9090

Dated: February 23, 2023

This Brochure provides information about the qualifications and business practices of PVA Financial LLC “PVA”. If you have any questions about the contents of this Brochure, please contact us at (773) 825-9090. 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 PVA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

PVA Financial 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.

**Item 2: Material Changes**

4.E. Update to AUM

5.A. Hourly rate change

16. Non-Discretionary IAS

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**Item 4: Description of Advisory Firm**

A. PVA Financial LLC (hereinafter “PVA” or the “Firm”) is a Limited Liability Company organized in the State of Illinois. PVA was formed in July 2018, and the principal owner is Naveen Neerukonda.

B. PVA offers the following services to advisory clients:

**Financial Planning Services (FPS)**

PVA offers creation, analysis and evaluation of financial plans for its clients. For those clients that take advantage of this component of our offering, financial plans and financial planning are completed using a goals-based framework. Clients may elect to only utilize FPS if they so choose.

PVA’s financial planning or consultation services could include, depending on the client’s needs and requests, a financial review and analysis of some or all of the following areas:

- Determining Financial Goals & Objectives
- Asset Allocation Review
- Retirement Plan Analysis
- Employee Stock Option Analysis
- Current Portfolio Review
- Education Funding Analysis
- Cost Audit of Current Investments
- Cash Flow Management Review
- Review of Insurance Needs
- Mortgage and Refinance Evaluation
- Estate Plan Review or Development
- Charitable (or social capital) Planning
- Other financial or investment analysis

**Investment Advisory Services (IAS)**

The IAS we provide are based on each individual client’s financial circumstances and investment objectives. Our investment advisor communicates with each client to discuss the client’s current financial condition and to review the client’s current investment holdings. Based upon each client’s circumstances, we determine an appropriate asset allocation for the client’s investment portfolio, in accordance with the client’s specific financial objectives and risk tolerance and in consideration of other factors, including the client’s time horizon (education funding, home purchase, retirement, legacy planning), liquidity needs, and other available resources (including external retirement plans, projected social security, outside investments, real estate, and insurance). Clients may identify any investment restrictions to be placed on their account. Each client’s financial objectives, risk tolerance, and liquidity needs, along with a recommended asset allocation, are incorporated into an Investment Policy Statement that is customized for each client.

IAS include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

PVA seeks to provide investment decisions in accordance with the fiduciary duties owed to its accounts and without consideration of PVA economic, investment or other financial interests. To meet its fiduciary obligations, PVA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, PVA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is PVA policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

### **Services Limited to Specific Types of Investments**

PVA limits its investment advice to mutual funds, equities, fixed income securities, ETFs (including ETFs in the gold and precious metal sectors), real estate funds (including REITs) and non-U.S. securities.

Specifically, PVA primarily holds ETFs, mutual funds and individual securities in managed client accounts. Equity allocations typically consist of individual securities, ETFs and mutual funds whereas exposure to other asset classes such as fixed income and foreign equities is typically achieved using ETFs or mutual funds. Exposure to commodities or real estate may be achieved using either individual securities or ETFs. PVA may seek to beat the market by making tactical asset allocation decisions, investing in single stocks, and or overweighting/underweighting certain regions/sectors or duration/credit quality. As "held away" accounts cannot be directly managed by us, recommendations for these accounts are typically focused on achieving a desired asset allocation using lower cost, passive investing approaches.

### **Retirement Account Advice**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and

- Give you basic information about conflicts of interest.
- C. PVA evaluates the managed portfolios of each client to ensure assets are invested in accordance with the client's Investment Policy Statement. PVA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client. PVA offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon both the time at which a particular client is onboarded and the client Investment Policy Statement which outlines each client's current situation (income, return objective, risk tolerance, time horizon, liquidity constraints, and any other relevant constraints). Clients may impose clearly articulated restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PVA from properly servicing the client account, or if the restrictions would require PVA to deviate from its standard suite of services, PVA reserves the right to end the relationship.
- D. A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. PVA does not participate in any wrap fee programs.
- E. As of December 31, 2022, PVA manages \$19,541,985 on a discretionary basis and \$0 on a non-discretionary basis.

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

- A. Clients of PVA fit into one of the two following categories:
1. Financial Planning Services (FPS)
  2. Investment Advisory Services (IAS)

For clients who avail only FPS, clients may choose to pay (1) A fixed annual fee, ranging from \$1,000 to \$10,000 per year, paid quarterly in arrears or (2) On an hourly basis for these services at an hourly rate of \$250, with 25% of the estimated fee paid in advance with the remainder paid upon completion. Consideration for full payment upon completion will be made on a case-by-case basis. The fees are negotiable, and the final fee schedule will be attached as an Exhibit of the FPS Agreement. The client may terminate the agreement without penalty, for full refund of PVA's fees, within five business days of signing the FPS Agreement. Thereafter, clients may terminate the FPS Agreement with written notice. In the event of early termination, the client will be billed for the quarter on a pro-rated basis.

For clients who avail IAS, the fee is calculated as an advisory fee based on assets under management (AUM) as outlined below:

	1.00% on the market value of Account \$1,000,000 and under,
Plus:	0.75% on the market value of Account between \$1,000,001 and \$2,500,000
Plus:	0.50% on the market value of Account between \$2,500,001 and \$5,000,000
Plus:	0.25% on the market value of Account over \$5,000,001

Any client who avails IAS, can receive FPS for **no** additional charge. The IAS fees are negotiable, and the final fee schedule is attached as an Exhibit of the IAS Agreement. The

minimum IAS Fee is \$2,500. Due to this minimum annual fee, for clients who wish to have PVA manage less than \$125,000, fees on a percentage basis are higher than the industry average given that in addition to IAS, these clients are also receiving comprehensive FPS.

Clients may terminate the agreement without penalty, for full refund of PVA's fees, within five business days of signing the IAS Agreement. Thereafter, clients may terminate the IAS Agreement on written notice. PVA does not assess any fees related to termination but will be entitled to all management fees earned up to the date of termination.

PVA uses an average of the daily average balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Any increase in fees will require the Client be given thirty (30) days' prior written notice and an amendment to this agreement which the Client will need to sign. There are no set-up or termination fees.

- B. FPS fees are billed as incurred as outlined above. Fixed or Hourly FPS fees are paid via check or bank transfer. IAS Fees are withdrawn directly from the client's accounts with client's written authorization and are paid quarterly in arrears.
- C. Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by PVA. Please see Item 12 of this brochure regarding broker/custodian.
- D. Refunds for fees paid in advance will be returned within fourteen days to the client via check or return deposit back into the client's account. Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination. For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.
- E. PVA does 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**

PVA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### **Item 7: Types of Clients**

PVA generally provides advisory services to the following types of clients:

- Individuals
- High-Net Worth Individuals

For FPS, there is no minimum annual fee for those who elect hourly billing. For those clients who utilize FPS and elect fixed-fee, the minimum annual fee is \$1,000. For IAS, the account minimum is \$100,000, which may be waived by PVA in its discretion. PVA also has a minimum annual fee of \$2,500 for IAS which may be waived by PVA in its discretion.

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

### **A. METHODS OF ANALYSIS**

PVA uses a variety of methods to evaluate the overall financial market, market sectors, mutual funds and various types of securities. The Firm conducts internal research and analysis and also may procure research and analysis from third parties.

Depending upon the type of investment, PVA utilizes a combination of fundamental and technical analysis. Fundamental analysis involves analyzing real data, including overall economic and company-specific information available to determine the value of a particular investment. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns that can be used to predict future activity. In performing these analyses, the Firm may consult third-party research materials, company annual reports and other regulatory filings, and financial newspapers and periodicals.

PVA's strategy does not utilize "leverage," meaning that it does not recommend strategies that would necessitate a client to borrow cash against the value of their securities portfolio in order to fund additional PVA recommended purchases.

### **B. INVESTMENT STRATEGY & RISK**

PVA generally invests client assets in no-load mutual funds and exchange-traded funds (ETFs) in accordance with its view that this approach offers clients both diversification and lower expenses. PVA does not believe however, that the fees and expenses charged by a fund should be the only criteria upon which a fund is evaluated. Depending upon a specific clients risk tolerance, objectives, time horizon and tax position, PVA may invest in individual equity securities on behalf of a client account.

## **INVESTMENT RISKS**

All securities investments carry risk, including the risk that an investor loses a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk.

Here are some of the general risks associated with parts of our investment strategy:

Short-term purchases – on occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

**Bond Pricing** – The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

**Inflation** - Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

**Price Fluctuation** - Security prices do fluctuate (except for cash or cash equivalents) and clients must accept that risk associated with the fluctuations or change to a more appropriate investment portfolio in alignment with their risk tolerance.

**Reinvestment of Dividends** - An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This is an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned.

**Mutual Funds or ETF's with Foreign Asset Holdings** – Any investments in mutual funds that make foreign investments are subject to the uncertainty with changes in the foreign currency value. The client will bear more risk and possibly earn a substantially higher return or a substantially lower return.

**Short Sale Trading** – Short Sale Trading, or “shorting” involves a great amount of risk and is not advocated by PVA, nor is it a part of our investment strategy. In rare cases, short selling may be used as directed by client to achieve specific goals.

**Margin Trading** – PVA does not advocate leverage as a part of its investment strategy. In rare cases, and generally only for short term financing considerations, clients may elect to assume a margin balance on their investment account. The client's custodian will require a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral will be insufficient to cover a margin call by the client's custodian. Consequently, all margin decisions are left to the client.

**Option Trading** – Certain PVA clients may engage in option trading. Option securities are complex derivatives of equity securities that incorporate certain leverage characteristics and as such carry an increased risk of investment loss.

### **C. MATERIAL RISK OF VARIOUS SECURITY TYPES**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

**Equities:** Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities



may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

Fixed Income/Bonds: Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. Prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

REIT's/Real-Estate Funds: REIT's and Real Estate Funds face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Foreign-Securities/ADR's: Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **Item 9: Disciplinary Information**

- A. No criminal or civil action has ever been filed against PVA or its representatives.
- B. No administrative proceedings before any Agency or Authority has ever been initiated against PVA or its representatives.

- C. No Self-Regulatory Organization proceedings has ever been initiated against PVA or its representatives.

#### **Item 10: Other Financial Industry Activities & Affiliations**

- A. Neither PVA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.
- B. Neither PVA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.
- C. Neither PVA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.
- D. PVA may, from time-to-time, utilize and select third-party investment advisers based on individual client needs. If a specific third-party investment adviser has particular expertise in an area that PVA and/or the client deems valuable, PVA may elect to utilize such adviser for services and may directly or indirectly receive or provide compensation for such a relationship. Any relationship will be disclosed to the client as well as the compensation arrangement. Any utilization of third-party investment advisors may increase the total costs to the client as the third-party investment advisor may charge their owns fees but will not increase any fees to PVA collected from that client.
- E. PVA offers Business Advisory Services (“BAS”) to certain organizations. The advisory work offered by PVA and its representative is consultative in nature and customers who choose to engage PVA for BAS sign a BAS Agreement that outlines the scope of services and terms of engagement. Clients who sign a BAS Agreement do not receive direct or personal investment advisory services or financial planning services. These clients are typically engaging PVA for advice in pursuit of acquisitions or strategic business or operational advice. Additionally, these clients may engage PVA for assistance in positioning for an eventual sale or merger of their business. PVA maintains no ownership stake or vested interest in the completion of any activity except for an agreed upon engagement fee as outlined in the BAS Agreement. If a representative of an organization under a BAS Agreement is also interested in personal IAS or FPS services, a separate agreement will be signed and disclosed to the BAS client. Any actual conflict of interest or perceived conflict of interest will be appropriately disclosed to the client under the BAS Agreement and the client under the IAS or FPS Agreement. PVA is registered as a Business Broker pursuant to the Illinois Business Brokers Act of 1995.

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

##### **Code of Ethics**

PVA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Outside Business Activities, Gifts and Entertainment, Political & Charitable Contributions, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Personal Securities Transaction Procedures and Reporting, Certification of Compliance, Reporting Violations. Our Code of Ethics is available free upon request to any client or prospective client.

##### **Recommendations Involving Material Financial Interests**

PVA does not recommend that clients buy or sell any security in which a related person to PVA or PVA has a material financial interest.

## **Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of PVA may buy or sell securities for themselves or their family that they also recommend to clients. This may provide an opportunity for representatives of PVA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. PVA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of PVA may buy or sell securities for themselves or their family at or around the same time as clients. This may provide an opportunity for representatives of PVA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Any such occurrences will be documented and, in order to address the conflict of interest, PVA will ensure its representatives do not engage in trading that operates to the client's disadvantage when similar securities are being bought or sold. We will not trade non-mutual fund securities prior to the same security for clients on the same day. Consistent with its fiduciary duty, PVA always acts in the best interest of the client, including in trading at or around the same time as client transactions.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on PVA's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a Client on terms that are the most favorable to the Client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and PVA may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of PVA. PVA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

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

- a. PVA may occasionally receive from an executing broker or allows a broker, to pay for certain research or brokerage services, known as "soft dollar" brokerage services and research. "Soft dollars" refers to the use of brokerage commissions on client trades to pay for the soft dollar research or brokerage services received. Because many of these services benefit PVA in conducting its advisory business, and because the soft dollars used to acquire them are assets of its clients (in the form of commissions), PVA could be considered to have a conflict of interest in allocating client brokerage business, in light of a potential incentive to effect more transactions than it might otherwise in order to obtain those benefits.
- b. It is the PVA's policy is to limit its use of soft dollar arrangements to those falling within the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended. To be protected under Section 28(e), we must, among other things, determine that commissions paid are reasonable in light of the value of the brokerage and "research" services and products acquired. Section 28(e)'s "safe harbor" protects the use of client soft dollars even when the research and brokerage services and products acquired are used in implementing investment decisions and transactions for other

clients. Only bona fide research and brokerage products and services that provide assistance to PVA in the performance of its investment decision-making responsibilities are permitted.

- c. Soft dollar research and services include among others, economic and market information, portfolio strategy advice, proxy voting services, industry and company comments, technical data, recommendations, research conferences, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing, news wire charges, quotation services, computer hardware and software. PVA may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share its commissions with a brokerage firm that provides soft dollar benefits to PVA. With respect to certain computer equipment and software used for both research and non-research purposes, PVA allocates the costs of such products between their research and non-research uses, and use soft dollars to pay only for the portion allocated to research uses.
- d. PVA is authorized to pay a broker a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research, other services and soft dollar relationships that broker provides. In such a case, however, PVA determines in good faith that such commission is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, viewed in terms of either the specific transaction or PVA's overall responsibilities to the portfolios over which it exercises investment authority. An account may, however, pay higher brokerage commissions than are otherwise available or may pay more brokerage commissions based on account trading activity. In addition, the research and other benefits resulting from a brokerage relationship benefit all accounts managed by PVA or PVA operations as a whole, including clients who direct PVA to use a broker that does not provide soft-dollar benefits. PVA's relationships with brokerage firms that provide soft dollar services create conflicts of interest, both in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed- use products between their research and non-research uses. These conflicts of interest are influential to the extent that PVA uses soft dollars to pay expenses it otherwise would be required to pay itself.
- e. PVA may occasionally receive discounts on software and other services. The discounts are generally offered to all firms who fit a common profile or asset threshold. Such discounts are accepted with the intent to benefit all clients and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts.
- f. PVA routinely considers the amount and nature of the research products and services provided by brokers as well as the extent to which such products and services are relied upon, and will attempt to allocate a portion of its brokerage business on the basis of that consideration. In addition, broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocations, but may be expected to exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. In no instance will a broker-dealer be precluded from receiving business simply because it has not been identified as providing research products and services, although PVA may not be willing to pay the same commission to such broker as PVA would have paid had the broker provided research products and services

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

- a. PVA receives 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**

- a. We do not allow clients to direct us to use a specific broker-dealer to execute transactions. Clients who avail IAS must use our recommended custodian for assets they wish to be under our direct management. Not all investment advisers require their clients to direct brokerage. By requiring clients to use our specific custodian, we may be unable to achieve most favorable execution of client transaction and that this may cost clients' money over using a lower-cost custodian.

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

If PVA buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, PVA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. PVA would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with PVA's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

### **Item 13: Review of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client portfolio management accounts are reviewed at least annually only by Naveen Neerukonda, Managing Member with regard to clients' respective investment policies and risk tolerance levels. All ongoing FPS are reviewed upon financial plan creation and plan delivery by Naveen Neerukonda, Managing Member. There is only one level of review for financial plans, and that is the review of client goals, savings habits, current assets, and investments (e.g., the primary drivers used when creating the original financial plan).

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

IAS and FPS reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, marital status changes or inheritance). FPS reviews for hourly-billed clients will generally conclude upon delivery of the financial plan unless otherwise requested by the client.

#### **C. Content and Frequency of Regular Reports Provided to Clients**

IAS clients will receive at a minimum annual written or verbal report detailing portfolio holdings of discretionary client accounts, tactical leanings across asset allocation, and our thinking behind those decisions. These reports and discussions will come from PVA and we urge clients to compare their custodial statements against any reports received from PVA.

FPS clients will receive the financial plan upon completion.

### **Item 14: Client Referrals and Other Compensation**

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

PVA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to PVA clients.

#### **B. Compensation to Non-Advisory Personnel for Client Referrals**

PVA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When it deducts fees directly from client accounts at a selected custodian, PVA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. All account statements will come from the custodian; PVA does not provide these reports. Billing invoices will come from PVA and/or the custodian.

For IAS client account(s) in which PVA directly debits its advisory fee:

- i. PVA will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account(s), including the amount of the advisory fee.
- iii. The client will provide written authorization to PVA, permitting it to be paid directly from their account(s) held by the custodian.

### **Item 16: Investment Direction**

PVA provides discretionary IAS to clients. For discretionary IAS, the client must execute limited power of attorney. The IAS Agreement established with each client outlines the discretionary authority for trading and discretion to select the broker-dealer to be used for the purchase or sale of securities for a client's account. Where investment discretion has been granted, IAS generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share. In some instances, PVA's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to PVA).

For those client accounts where we provide non-discretionary investment advisory services, we do not maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. This means we will require the client's direct authorization prior to making any changes to the client's account. The non-discretionary services will be outlined in the clients IAS Agreement.

### **Item 17: Voting Client Securities**

PVA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

PVA neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither PVA nor its management has any financial condition that is likely to reasonably impair PVA's ability to meet contractual commitments to clients.

**C. Bankruptcy Petitions in Previous Ten Years**

PVA has not been the subject of a bankruptcy petition in the last ten years.

**Item 19: Requirements for State-Registered Advisers**

**A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

Naveen Neerukonda's education and business background can be found on the Form ADV Part 2B.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Naveen Neerukonda's other business activities can be found on the Form ADV Part 2B brochure supplement.

**C. How Performance-based Fees are Calculated and Degree of Risk to Clients**

PVA does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at PVA or PVA has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither PVA, nor Naveen Neerukonda, has any relationship or arrangement with issuers of securities.

# PVA FINANCIAL LLC

220 INDIAN TRAIL RD, OAK BROOK, IL 60523

## **Form ADV Part 2B – Brochure Supplement**

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

(773) 825-9090

Dated: February 23, 2023

**Naveen Neerukonda, CFP®**

Managing Member

This brochure supplement provides information about Naveen Neerukonda that supplements the PVA Financial LLC (“PVA”) brochure. A copy of that brochure precedes this supplement. Please contact Naveen Neerukonda if the PVA brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Naveen Neerukonda is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Item 2: Educational Background and Business Experience**

**Naveen Neerukonda, CFP®**

Born: March 3, 1980

### **Educational Background**

B.S. in Business Administration, Washington University in St. Louis (Olin School of Business); Major: Finance & International Business, Minor: Psychology – 2001

M.B.A., University of Chicago (Booth School of Business); Concentrations: Finance & Accounting - 2009

### **Business Experience**

2018 – Present: PVA Financial LLC (Managing Member)

2010 – 2021: Anil Neerukonda Educational Society (Treasurer)

2009 – 2015: LaSalle Capital (Vice-President)

2005 – 2007: Lake Capital (Associate)

2003 – 2005: William Blair & Company (Corporate Finance Analyst)

2001 – 2003: Accenture (Analyst)

### **Professional Designation & Certifications**

CERTIFIED FINANCIAL PLANNER™ (CFP®)

I am certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). Therefore, I may refer to myself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and I may use these and CFP Board’s other certification marks (the “CFP Board Certification Marks”). CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold CFP® certification. You may find more information about CFP® certification at [www.cfp.net](http://www.cfp.net).

CFP® professionals have met CFP Board’s high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor’s degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has

determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.

- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual’s ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP Board’s *Code of Ethics and Standards of Conduct (“Code and Standards”)*, which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – Commit to complying with CFP Board’s Code and Standards. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.
- **Continuing Education** – Complete 30 hours of continuing education hours every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.

### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of this advisory business.

### **Item 4: Other Business Activities**

Naveen Neerukonda serves as the Treasurer of the Board of Trustees for the Sri Venkateswara Swami (Balaji) Temple but receives no compensation for service. Naveen Neerukonda also serves as the President of the Anil Neerukonda Foundation but receives no compensation for service. Naveen Neerukonda also serves on the Investment Committee of the North South Foundation but receives no compensation for service. Participation in these organizations account for the less than 10% of his time.

### **Item 5: Additional Compensation**

Other than the fees charged directly to clients, Naveen Neerukonda does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through PVA Financial LLC.

**Item 6: Supervision**

As the only owner and representative of PVA Financial LLC, Naveen Neerukonda supervises all activities of the Firm. Naveen Neerukonda's response information is on the cover page of this disclosure document.

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

Naveen Neerukonda has not been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.