

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

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

Ferri Investment Solutions

www.RickFerri.com

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

**Registration Approved: March 1, 2019
Effective Date: April 8, 2019
Latest Revision August 1, 2021**

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

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

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Additional information about our firm is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The firm’s CRD number is 300479.

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

ITEM 2: MATERIAL CHANGES

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

MATERIAL CHANGES SINCE THE LAST FILING

Mr. Ferri is now minority interest shareholder in LUSKIN FINANCIAL PLANNING (CRD# 314744). Jon Luskin is a financial planner who worked with Mr. Ferri from April 2021 through July 2021 while he was registering his own company. Mr. Luskin is a CERTIFIED FINANCIAL PLANNER™ (CFP®) and fiduciary in San Diego, California. He also specializes in providing hourly advice to do-it-yourself investors. Mr. Ferri refers clients to Mr. Luskin on a regular basis. In addition, Mr. Luskin is Mr. Ferri's successor for Ferri Investment Solutions. He would assume Mr. Ferri's client list in the event Mr. Ferri passed away, became disabled, or left the business.

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

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ITEM 4: ADVISORY BUSINESS

A. Firm Information

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

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

FERRI INVESTMENT SOLUTIONS offers hourly, fee-only, as-needed investment advice under The Act. We provide advice to Clients who contact us directly and to Clients referred by other investment advisers, investment companies, financial planners, accountants, pension consultants, attorneys, and other professionals (“other Advisers”). We are not portfolio managers. We do not have discretion over Client portfolios or take custody of assets. A Client must implement on their own or through another adviser and using a custodian of their choosing. A Client may choose not to implement our recommendations.

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

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

B. Advisory Services Offered

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

Hourly and Fixed-fee Investment Advice:

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

FERRI INVESTMENT SOLUTIONS provides fixed-fee financial reviews hourly as-needed advice and for all Clients regardless of how they come to the firm. We provide the same service and charge the same fee as outlined in Item 5A for Clients who hire the Firm directly or indirectly through their other Adviser.

If a prospective client is interested in engaging the Firm, they will be provided a current Form ADV Part 2A combined brochure that includes Item 19 - Privacy Policy and Item 20 – Requirements for State Advisers. Before we provide advisory services, we first enter into a written agreement with each Client or the Client’s other Adviser. Services are then customized for each Client.

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

In providing this advice, we begin by discussing each Client's background, goals, risk tolerance, and current holdings. This assists us in understanding a Client’s needs before recommending changes to their current strategy. We may provide, but are not limited to, one-time portfolio reviews, written investment plans, recommendations for implementation, and referrals to qualified third parties.

FERRI INVESTMENT SOLUTIONS does not take discretion over the management of Client portfolios. Implementation is the Client’s responsibility or the responsibility of their other Adviser. We may recommend a third-party portfolio manager, financial planner, or other professional if a Client needs or desires one. We are not compensated in any manner for Client referrals and do not pay for Client referrals. See Item 14 for information on potential conflicts of interest concerning third party activities.

Our agreement is typically signed by the Client and that client pays our fee. When a Client is referred to us by their other Adviser, either the Client or their other Adviser signs our agreement and pays our fee. The latter decision is between the Client and their other Adviser.

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

C. Client Account Management

FERRI INVESTMENT SOLUTIONS provides advice only. All accounts are customized to a Client’s need. This begins by gathering information from a Client about their background, goals, risk tolerance, and current holdings. This is done through a questionnaire or over the phone. The Firm then analyses the client’s current investments and assesses whether the portfolio is properly aligned with the Clients short- and long-term needs.

The Firm then engages the client in a discussion before making recommendations that may lower investment cost, reduce redundancy, simplify a portfolio, and create an overall better fit for the Client. A Client may impose restrictions on investing in certain securities or types of securities due to tax considerations and other circumstances.

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

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

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

D. Wrap Fee Programs

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

E. Assets Under Management

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

ITEM 5: FEES AND COMPENSATION

A. Fees for Advisory Services

First time clients are billed a fixed \$925 fee for a **Portfolio 2nd Opinion™** and returning clients are billed at \$450 per hour (\$45 per 6-minute intervals).

Our Portfolio 2nd Opinion™ introductory offer is available for new Clients in lieu of the hourly rate. The \$925 Portfolio 2nd Opinion™ fee covers a financial document review, 2.0 hour consultation, and summary letter. Client requesting extra time during a Portfolio 2nd Opinion™ are invoiced at \$450 per hour in addition to the \$925. The \$925 fee will be rebated at \$450 per hour if the time to deliver the Portfolio 2nd Opinion™ service is under two hours.

FERRI INVESTMENT SOLUTIONS fees are non-negotiable. The Firm may waive fees at the sole discretion of the Principal. FERRI INVESTMENT SOLUTIONS may also change fees at the sole discretion of the Principal. Clients will be notified three (3) months in advance of any fee change. A fee change will be published on RickFerri.com prior to taking affect but may not be updated in this document until the next annual amendment on March 31.

B. Payment of Fees

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

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

Either party may cancel the advisory agreement for any reason by notifying the other party in writing. Any fees incurred prior to termination become fully payable within 30 days of the termination date.

C. Other Fees and Expenses

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

D. Prepayment of Fees

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

E. Termination of Services

Either party may terminate the agreement at any time by providing written notice to the other. FERRI INVESTMENT SOLUTIONS will not be responsible for further services upon receipt of a verbal or written termination notice. We will also not be responsible for closing Client accounts with another Adviser or third party. Should a Client wish to do so, the Client must communicate with those third parties directly.

F. Compensation for Sales of Securities

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

ITEM 6: PERFORMANCE-BASED FEES

FERRI INVESTMENT SOLUTIONS does not charge performance-based fees.

ITEM 7: TYPES OF CLIENTS

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

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

A. Methods of Analysis

When we are engaged to provide investment advice, we will first gather and consider several factors, including, but not limited to a Client's:

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

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

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

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

FERRI INVESTMENT SOLUTIONS does not guarantee that investments will increase in value, and on the contrary, emphasizes that investing comes with inherent risk. Investments can and will lose value in certain years, and the Clients can and should expect their portfolio will lose value in certain years.

Investment advisers must also explain the material risks involved for each significant investment strategy or method of analysis they use and for any particular type of security they recommend primarily. Investment advisers must explain those risks in greater detail if the risks are unusual or significant. If the primary strategy involves frequent trading of securities, investment advisers must explain specifically how frequent trading can affect investment performance.

B. Investment Strategies

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

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

C. Risk of Loss

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

Passive Investing

A portfolio that employs a passive, efficient market approach (representative of "index investing") will not take defensive measures such as moving out of investments. In addition, the goal of passive or index investing is to deliver as close as possible to benchmark returns.

Index Investing

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

ETF and Mutual Fund Risks

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

Fixed Income Risks

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

Failure to Implement

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

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

ITEM 9: DISCIPLINARY INFORMATION

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

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

Mr. Ferri is a minority interest shareholder in LUSKIN FINANCIAL PLANNING (CRD# 314744). Jon Luskin is an financial planner who worked with Mr. Ferri from April 2021 through July 2021 while he was registering his own company. Mr. Luskin is a CERTIFIED FINANCIAL PLANNER™ (CFP®) and fiduciary in San Diego, California. He also specializes in providing hourly advice to do-it-yourself investors. Mr. Ferri refers clients to Mr. Luskin on a regular basis. In addition, Mr. Luskin is Mr. Ferri's successor for Ferri Investment Solutions. He would assume Mr. Ferri's client list in the event Mr. Ferri passed away, became disabled, or left the business.

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

Richard Ferri is the host of the "Bogleheads on Investing" podcast. This show is published monthly as part of the John C. Bogle Center for Financial Literacy. He is not compensated in any manner for his time or contribution.

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

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

A. Code of Ethics & Personal Trading

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

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

B. Personal Trading with Material Interest

FERRI INVESTMENT SOLUTIONS allows a Supervised Person to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. This may create the potential for a conflict of interest; however, the risk is mitigated by the Firm's adoption of the *Code of Ethics and Standards of Professional Conduct* whereby all members must act for the benefit of the Clients and place the Clients' interests before their own interests of the Firm's interest.

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

C. Personal Trading in Same Securities as Clients

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

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

D. Personal Trading at Same Time as Client

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

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

ITEM 12: BROKERAGE PRACTICES

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

A. Recommendation of Custodians and/or Broker-Dealers

Broker-dealer/Custodian Referrals

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

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

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

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

Soft Dollars

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

B. Trade Aggregation and Allocation

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

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency and Nature of Periodic Reviews

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

B. Factors Resulting in a Non-Periodic Account Review

Client portfolios are reviewed by Richard Ferri as requested by each Client. Reviews often occur after

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

C. Client Reporting

FERRI INVESTMENT SOLUTIONS does not manage investment portfolios or provide ongoing monitoring of client assets. We may communicate with current and former Clients approximately once per quarter by email for marketing purposes to remind them of our services. The email is not investment advice.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

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

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

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

ITEM 15: CUSTODY

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

ITEM 16: INVESTMENT DISCRETION

FERRI INVESTMENT SOLUTIONS does not accept discretion over Client assets.

ITEM 17: VOTING CLIENT SECURITIES

FERRI INVESTMENT SOLUTIONS does not manage investment portfolios and does not accept proxy-voting responsibility for Clients. We may assist in answering written questions from Clients relating to

some proxy issues; however, the Client or their other Adviser retains the sole responsibility for proxy decisions and voting.

ITEM 18: FINANCIAL INFORMATION

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

ITEM 19: REQUIREMENTS FOR A STATE REGISTERED ADVISER

All relevant information is provided in ADV Part 2B.

Form ADV Uniform Application for Investment Adviser Registration

**Form ADV Part 2B
Investment Adviser Brochure Supplement
with Requirements for a State Registered Adviser**

Ferri Investment Solutions

www.RickFerri.com

Supervised Person: Richard Alan Ferri

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316 Hanging Star Lane
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(830) 484-4448

Registration Approved: March 1, 2019

Effective Date: April 8, 2019

Latest Revision August 1, 2021

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

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

Richard Alan Ferri

Founder, Member, CEO

Born: 1958

Education:

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

Business Experience:

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

The Chartered Financial Analyst® (CFA) credential is held by over 150,000 professionals around the world. CFA is a professional designation given by the CFA Institute, formerly AIMR, that measures the competence and integrity of financial analysts. The charter gives a strong understanding of advanced investment analysis and real-world portfolio management skills.

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

ITEM 3: DISCIPLINARY INFORMATION

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

ITEM 4: OTHER BUSINESSES

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

Industry Consulting

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

firms, accounting firms, publishing companies, and other professional businesses. Services include, but not limited to, industry practice and trends, evaluating fees options, managing growth, product development, marketing, branding, succession planning, mergers and acquisitions, regulatory and compliance issues.

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

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

Model Portfolios by Core-4® Portfolios

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

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

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

Core-4® Portfolios do not take up a substantial amount of time or provide a substantial amount of Mr. Ferri's income.

Minority Interest in Luskin Financial Planning, LLC

Mr. Ferri is a minority interest shareholder in LUSKIN FINANCIAL PLANNING (CRD# 314744).

Jon Luskin is a financial planner who worked with Mr. Ferri from April 2021 through July 2021 while he was registering his own company. Mr. Luskin is a CERTIFIED FINANCIAL PLANNER™ (CFP®) and fiduciary in San Diego, California. He also specializes in providing hourly advice to do-it-yourself investors.

Mr. Ferri refers clients to Mr. Luskin on a regular basis. In addition, Mr. Luskin is Mr. Ferri's successor for Ferri Investment Solutions. He would assume Mr. Ferri's client list in the event Mr. Ferri passed away, became disabled, or left the business.

Publishing and Speaking

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

- Serious Money, Straight Talk about Investing for Retirement (self-published)
- All About Index Funds (McGraw-Hill)
- Protecting Your Wealth in Good Times and Bad (McGraw-Hill)

- All About Asset Allocation (McGraw-Hill)
- The ETF Book (Wiley)
- The Power of Passive Investing (Wiley)
- The Bogleheads Guide to Retirement Planning (Wiley, co-authored)
- The Education of an Index Investor (Wiley – fall 2019)

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

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

ITEM 5: ADDITIONAL COMPENSATION

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

ITEM 6: SUPERVISION

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