



**CFE Financial LLC
3306 Clear Water Park Dr
Katy, TX 77450
713-550-2518**

Part 2A of Form ADV: Firm Brochure

January 1, 2024

This brochure ("Brochure") provides information about the qualifications and business practices of CFE Financial LLC, a registered investment adviser in the State of Texas. Registration does not imply a certain level of skill or training on behalf of the firm's personnel but only indicates that CFE Financial LLC has a business registered with the State of Texas. The information in this Brochure has not been approved or verified by any state securities authority.

If you have any questions about the contents of this Brochure, please contact Marco Rimassa at 713-550-2518 or mrimassa@cfefinancial.com.



Item 2 Material Changes

- April 2017: Modified Fee Structure
- January 2020: Modified Assets Under Management and Client Brochure Supplement
- February 2020: Modified Fees and Compensation to add Financial Consultation Fees and the Investment Discretion section
- December 2020: Modified General Description of the Firm, Summary of Advisory Services, Fees and Compensation, Assets Under Management, and Client Brochure Supplement
- July 2021: Modified Advisory Fee Payment Options
- September 2022: Modified Fee Amounts
- January 2024: Updated Business Background and Firm Name



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Item 4 Advisory Business

A. General Description of the Firm

CFE Financial LLC (hereafter, “the firm”) is a Texas-based investment advisory firm that manages investment accounts of clients (“Clients”) through individual consultation and analysis. In addition, the firm provides financial consultation services for clients without investment accounts or for those clients who do not desire an advisory arrangement. The firm has been in business since 1999. Additional information about the firm’s ownership structure and management is provided in Schedule A of Part 1A of the firm’s Form ADV.

B. Summary of the Firm’s Advisory Services

The firm provides investment advisory and financial consultation services to Clients in the States of Texas, Arkansas, and Colorado, primarily focusing on equities, ETFs, and mutual funds.

C. Tailored Services

The firm tailors its financial advisory and financial consultation services to the individual needs of each of its Clients. Accounts for Clients (“Client Accounts” or “Accounts”) are opened and maintained according to a Client Account Agreement or Investment Advisory Contract (“Account Agreement”) which describes the discretionary authority that a Client grants to the firm. To tailor its financial advisory services to each Client, the firm asks each prospective Client a series of questions to evaluate both the individual’s objective ability and subjective willingness to take risk.

D. Wrap Fee Programs

The firm does not sponsor or participate in any wrap fee programs.

E. Assets Under Management

As disclosed in the firm’s Form ADV Part 1, the firm manages approximately \$4,400,000 in client assets through its financial advisory services on a discretionary basis. This total is calculated using the closing U.S. market prices from December 31, 2023. The firm does not manage assets on a nondiscretionary basis.



Item 5 Fees and Compensation

A. Advisory Fees

The firm is compensated for its advisory services by charging a fee based on the net market value of a Client's Account. The firm reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined by the firm. In addition, the firm may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

The firm's financial advisory service charges an annualized fee per account managed based on assets under management at time of inception. This fee is assessed on a scale based on overall asset size for managed accounts. Separate accounts from related parties may use a combined aggregate amount of assets under management to qualify for a lower fee structure. The fee structure is:

- 1.00% on a Client's assets under management for accounts less than or equal to \$250,000 at inception of advisory services;
- 0.75% on a Client's assets under management for accounts greater than \$250,000 but less than \$1,000,000 at inception of advisory services;
- 0.63% on a Client's assets under management for accounts greater than \$1,000,000 but less than \$3,000,000 at inception of advisory services;
- 0.50% on a Client's assets under management for accounts greater than \$3,000,000 at inception of advisory services.

Compensation for advisory services is payable on a semi-annual basis, beginning 6 (six) months after the initial placement of assets under management and pro-rated for inception dates intra-month. Fees are invoiced directly to the Clients, separate from the assets under management, except in cases where Clients have expressly authorized fees to be paid by their custodian to the firm from their existing brokerage accounts. Clients may terminate advisory services at any time by requesting such in writing, provided that advance notice of at least 30 days is given to effect such termination.

B. Other Account Fees

The firm is a "fee only" investment advisor, and other than its advisory fee described above, neither the firm nor any of its employees receive or accept any direct or indirect compensation related to investments that are purchased or sold for Client Accounts. This means that Clients will not be sold products or services that create additional fees or compensation to benefit the firm or its employees or its affiliates other than those described in this Brochure and on the Site. However, in addition to advisory fees, Clients may also pay other fees or expenses to third-parties. The issuer of some of the securities or products we purchase for Clients, such as ETFs or other similar financial



products, may charge product fees that affect Clients. The firm does not charge these fees to Clients, and does not benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of an ETF may include management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer.

C. Financial Consultation Fees

In addition to investment advisory services, the firm also provides financial planning consultations and a monthly subscription service for a flat fee and an hourly rate, as described here, for clients without investment accounts or for those clients who do not desire an advisory arrangement. The firm reserves the right, in its sole discretion, to negotiate, reduce or waive the financial consultation fees for certain Client Accounts for any period of time determined by the firm. In addition, the firm may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients.

For Clients desiring a one-time consultation service and plan development with no ongoing services, the firm provides a financial planning consultation incorporating as many of Client's financial details and objectives as are disclosed. The firm expects to spend up to fifteen hours in the development of the Client's plan. The fee for this one-time service is \$1,800.00, of which \$900.00 will be assessed upfront with the remainder due upon completion of the plan development process. For Client questions and objectives beyond the initial plan development, the firm will provide ongoing financial planning consultation services for an hourly rate of \$150.00 per hour.

For Clients desiring an ongoing consultation service, the firm provides an initial financial planning consultation focused on specific Client questions and objectives, for an hourly rate of \$150.00 per hour for up to five hours, billed as actually incurred. This initial financial planning consultation and associated fee is intended to be a one-time fee. Beginning the first of the month after an initial portfolio consultation, financial consulting services are offered on a monthly subscription fee basis at a rate of \$150.00 per month beginning on the first of the month after the financial planning consultation has been performed and invoiced. The firm expects and communicates to Clients that it will spend up to an hour per month on behalf of the Client, including the preparation and submission of a monthly summary market commentary with items of potential interest to Client. Monthly subscription fees are invoiced in arrears, after the end of each of month of service availability.



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

The firm does not charge performance-based fees. Our advisory and financial consultation fees are only charged as disclosed above in Item 5.



Item 7 Types of Clients

The firm works with individuals desiring advisory services to supplement or supplant their own investment decisions or portfolio management. Potential Clients do not need a minimum amount to engage the firm, excepting that the firm's advisory services are more likely to be beneficial to Clients with over \$100,000 of investable assets in a portfolio. For Clients with less than \$100,000 of investable assets, Clients with financial planning questions outside of investment management, or Clients who desire to implement planning recommendations on their own, the firm offers a financial planning consultation option. At any time, a Client may terminate an Account or financial consulting arrangement, or withdraw all or part of an Account, or update her investment profile, which may initiate an adjustment in the Accounts' holdings. In that case, unless otherwise directed by the Client, the firm will sell the securities in the Client Account (or portion of the Account, in the case of a partial withdrawal or update) at market prices at the time of the termination, withdrawal or update.



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

The firm utilizes tenets from Modern Portfolio Theory to determine high-level portfolio allocations but balances a theoretical approach with the Client's own financial and risk-based considerations. In addition, the firm uses both fundamental and technical analysis to determine specific securities to include in a portfolio. The firm continuously monitors our Clients' portfolios and periodically rebalances them back to the Clients' target mix in an effort to optimize returns for the intended level of risk. We consider tax implications and the volatility associated with each of our chosen asset classes when deciding when and how to rebalance.

RISK CONSIDERATIONS

The firm cannot guarantee any level of performance or that any Client will avoid a loss of Account assets. **Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.** When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective Client before retaining the firm's services. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is in fact an occurrence.

Market Risk – The price of any security or the value of an entire asset class can decline for a variety of reasons outside of the firm's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a Client has a high allocation in a particular asset class it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Client Account to underperform relative to the overall market.

Advisory Risk – There is no guarantee that the firm's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. The firm's judgment may prove to be incorrect, and a Client might not achieve their investment objectives. The firm may also make future changes to the investing strategies and advisory services that it provides. In addition, it is possible that Clients or the firm itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to the firm's research websites or administration software. The firm and its representatives are not responsible to any Client for losses unless caused by the firm's breaching of its fiduciary duty.



Volatility and Correlation Risk – Clients should be aware that the firm’s asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client, and may become more acute in times of market upheaval or high volatility. **Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.**

Liquidity and Valuation Risk –High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because the firm and the Client’s Broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While the firm values the securities held in Client Accounts based on reasonably available exchange-traded security data, the firm may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a Client to the firm.

Credit Risk – The firm cannot control and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any Broker utilized by Client, notwithstanding asset segregation and insurance requirements that are beneficial to Broker clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of Client securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer’s securities held by a Client. The firm seeks to limit credit risk by generally adhering to the purchase of registered financial products such as mutual funds, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

Legislative and Tax Risk - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government’s guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations. The firm does not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.



Foreign Investing and Emerging Markets Risk - Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Inflation, Currency, and Interest Rate Risks - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by the firm may be affected by the risk that currency devaluations affect Client purchasing power.



Item 9 Disciplinary Information

Like all registered investment advisors, the firm is obligated to disclose any disciplinary event that might be material to any Client when evaluating our services. We do not have any legal, financial, regulatory, or other “disciplinary” item to report to any Client. This statement applies to our firm and to every employee of our firm.



Item 10 Other Financial Industry Activities and Affiliations

We do not have any other financial industry activities or affiliations to report to any Client.



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

The firm's paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its Clients. This means that the firm puts the interests of its Clients *ahead of its own*, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services.

The firm and its employees are permitted to engage in personal trading in named securities held in Client accounts, excepting that such personnel must adhere to the firm's written procedures and policies. Such procedures and policies include specific preclearance requirements to prevent front running.



Item 12 Brokerage Practices

The firm seeks the best overall execution of transactions for Client Accounts consistent with its judgment as to the business qualifications of the various Brokers through which the firm's Accounts could be available. The firm obtains information as to the general level of commission rates being charged by the brokerage community from time to time, and will periodically evaluate the overall reasonableness of brokerage commissions paid on Client transactions by reference to such data to ensure competitive commission rates. "Best execution" means the best overall qualitative execution, not necessarily the lowest possible commission cost. Accordingly, the factors that the firm considers when selecting or recommending Brokers are matters that directly benefit Client Accounts, and consistent with obtaining the best execution of their transactions. These factors include: execution capability and available liquidity; timing and size of particular orders; commission rates; responsiveness; trading experience; reputation, integrity and fairness in resolving disputes; quality of their application programming interfaces and technology; and other factors.

Unlike many investment advisors, the firm does *not* engage in any "soft dollar" practices involving the receipt of research or other brokerage service in relation to client commission money, nor do we receive any research or other products in connection with Client transactions. The firm also does not use Client commission money to compensate or otherwise reward any brokers for client referrals.



Item 13 Review of Accounts

The firm provides all advisory Clients with portfolio statements and written commentary of market events on a quarterly basis. Clients may also receive periodic e-mail communications describing portfolio performance, Account information, ongoing market conditions, and service features. The firm also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. We consider tax implications and the volatility associated with each of our chosen asset classes when deciding when and how to rebalance.

On at least an annual basis, the firm contacts each advisory Client for an in-person or live remote discussion of current investment goals, changes to personal situations which might impact a portfolio, and current risk tolerances.



Item 14 Client Referrals and Other Compensation

The firm does not offer compensation to any third party for referrals and does not actively seek additional Potential Clients through the use of incentives or other forms of compensation. If the firm determines in the future to pay or compensate a third-party for Client referrals, the firm will disclose this practice in writing to the Client and comply with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.



Item 15 Custody

The firm does not maintain direct custody of any Client funds or securities. Each Client will receive Account information, including trade confirmations and monthly account statements, directly from their Broker by logging into their particular fully-Client-owned brokerage account. Each Client should carefully review this information and compare it with information provided by the firm when they are evaluating Account performance, securities holdings, and transactions. While the firm reconciles trading information with Brokers on a regular basis and provides Account information to Clients, a Client may experience differences in the information due to pending transactions, dividends, corporate actions, cash movements or withdrawals, or other activity. Only the Broker's (or other third-party's) trading confirmations and statements represent the official records of a Client's Account.

The firm uses and recommends Charles Schwab as its primary Custodian and Broker, although the firm does not require its Clients to follow this recommendation to qualify for the firm's services. For Clients that use Charles Schwab, the firm has the ability to execute direct fee deductions from Client accounts when authorized by the Client and acceptable to the Client as a form of payment for the firm's billed fees.



Item 16 Investment Discretion

The firm requires that an Account Agreement or Investment Advisory Contract be completed by a Client who decides to retain the firm as their investment advisor. Under the terms of the Account Agreement, the firm assumes full discretionary trading and investment authority over the Client's assets held with the Broker. This means that the firm is given full authority under a power of attorney arrangement to select the timing, size, and identity of securities to buy and sell for the Client.

The firm requires that a Financial Consultation Agreement be completed by a Client who asks the firm to make financial planning recommendations using Client-specific data and objectives but does not desire an investment advisory arrangement. For these clients, the firm assumes no investment authority over the Client's assets, and Clients may elect unilaterally to follow or ignore completely or in part any information or recommendation given by the firm.



Item 17 Voting Client Securities

Under the firm's contractual arrangements, all Client Accounts are directly owned by the Client themselves and all brokerage account correspondence goes directly to the Client's address of record. As part of this arrangement, the firm does not receive any proxy or other voting materials for securities and/or other investments owned by a Client, either within or outside of a managed portfolio. It is the firm's policy not to vote proxies on a Client's behalf. The firm may, at Client request, review received proxy materials for items of interest to the Client and may provide recommendations based upon this review or subsequent research, but Clients are directly responsible for voting their shares.



Item 18 Financial Information

This Item is not applicable because the firm does not require or solicit the prepayment of any advisory fees, and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our Clients.



Item 19 Requirements for State-Registered Advisers

See Brochure Supplement (Part 2B of Form ADV) provided immediately below for information on the firm's principal executive officer.



CFE Financial
3306 Clear Water Park Dr
Katy, TX 77450
713-550-2518

Part 2B of Form ADV: Client *Brochure Supplement*

December 1, 2023

This Brochure Supplement provides information about the firm's employee listed below and supplements the firm's Brochure you should have received above. Please contact Marco Rimassa at 713-550-2518 or mrimassa@cfefinancial.com if you did not receive the firm's Brochure or if you have any questions about the contents of this Brochure Supplement.



Marco Rimassa, CFP®, CRPC®, CFA, born 1975

Education

BA, Economics, Rice University, 1997

MBA, Finance, University of Texas, 2003

CFA Charterholder, 2008-present

CERTIFIED FINANCIAL PLANNER™ Certificant, 2020-present

Chartered Retirement Planning Counselor™ Certificant, 2022-present

Business Background

2003 –2006, Senior Consultant, Financial Management Services, Deloitte Consulting

2006 – 2008, Lead Financial Analyst, BMC Software

2008 – 2010, Senior Manager, CFO Services, North Highland Consulting

2010 – 2019, Director, Strategic Finance, Service Corporation International

2017 – 2019, President, Investors Trust, Inc *(a wholly owned subsidiary of Service Corporation International)*

2015 – 2023, Manager, The PAW Group LLC

1999 – present, President, CFE Financial LLC

Disciplinary Information

None

Other Business Activity

Board of Directors, Financial Planning Association-Houston, a membership organization for financial planning practitioners in the Houston, TX area.

Additional Compensation

Minimal hourly consulting fees.

Supervision

Mr. Rimassa serves as Sole Proprietor and President of the firm, and as such is not subject to additional supervision.