



**Item 1 – Cover Page**

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**Required Disclosure:** This brochure provides information about the qualifications and business practices of Envision Financial LLC. If you have any questions about the contents of this brochure, please contact us at (262) 354-7155. 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 Envision Financial LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

Item 15 (Custody) has been revised to reflect that Envision has relinquished any standing letters of authorizations (SLOA's) from clients to initiate disbursements to accounts of third parties that would give rise to custody.

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**Item 4 – Advisory Business**

Envision Financial LLC (Envision”) commenced operations in June of 2021 and is registered with the Securities & Exchange Commission (“SEC”). Kevin P. Ellis and Joshua J. Palleon are the owners of Envision which had marketable assets under management of \$227,610,429 as of June 30, 2024.

Envision offers investment advisory, financial planning, tax, estate planning, and trust administration services. Envision’s investment advisory services are tailored to the individual needs of Clients and portfolios are customized to Clients’ individual needs. Clients rarely impose restrictions on investing in certain securities or types of securities, although Envision will try to accommodate any reasonable requests.

Envision generally manages assets on a fully discretionary basis since Clients generally prefer that we are authorized to act and execute trades on their behalf.

**Item 5 – Fees and Compensation**

Envision is a fee-only investment advisor which means that we do not sell any investment products and we do not receive product-related commissions or other compensation. Our only source of compensation is fees from our Clients for services rendered. As such, we have no conflicts of interest with Clients that may arise from product-based compensation.

Fees are calculated and deducted directly from Clients’ accounts based on the following standard fee schedule for new clients:

Assets From	Assets To	Annual Fee
\$ 0	\$ 1,500,000	0.70%
1,500,001	5,000,000	0.50%
5,000,001	10,000,000	0.40%
10,000,001	∞	0.25%

Fees are payable quarterly in advance of each calendar quarter based on the fair market value of the advisory assets at the end of the previous quarter. Fees in the initial quarter are prorated based on the number of days from the date the funds arrive in the account to the end of such initial quarter. Upon termination, Envision shall promptly refund any unearned prepaid advisory fees. Such refund shall be calculated by prorating the prepaid advisory fees based on the number of days remaining in the calendar quarter after the date of notice of termination of the advisory agreement.

For purposes of application of this fee schedule, related accounts (e.g. accounts of family members) may be aggregated to determine fee schedule break-points. In certain limited cases, fees may be negotiable and clients’ fees may deviate from the standard schedule

above. Fees for tax or trust administration services are charged separately from investment advisory fees. Clients incur brokerage and other transaction costs (e.g. brokerage commissions or sales charges), fund operating expenses, 12b-1 fees or other costs in connection with securities transactions. Charles Schwab & Co., Inc., serving as “qualified custodian,” does not charge fees for custody. Please refer to Item 12 for more information about brokerage practices. Clients are responsible for taxes payable to federal, state, and other tax jurisdictions resulting from securities transactions.

#### **Item 6 – Performance-Based Fees**

**NONE** - Envision does not charge or accept performance-based fees. In our opinion, performance-based fees provide incentives for managers to take additional portfolio risks while Clients sacrifice significant shares of upside return in such arrangements.

#### **Item 7 – Types of Clients**

While Envision has no strict minimum investment requirement, Envision is generally targeting Client relationships with a minimum of \$500,000 of marketable assets under management. Our Clients generally include affluent individuals, corporate executives, attorneys, physicians, business owners, family trusts, personal retirement plans and other related entities.

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

Envision believes that the asset allocation decision (i.e. the mix between stocks, bonds and cash) is the most important decision that an investor makes. Due to the distinct differences in historical returns and volatility of stocks vs. bonds and cash, Envision believes that investment time horizon and tolerance for volatility are the most important factors in selecting the appropriate asset allocation target. To this end, Envision has developed a proprietary (“Monte Carlo”) cash flow modeling and asset allocation tool for purposes of analyzing long-term capital sufficiency and illustrating asset allocation alternatives.

Once Envision and Client(s) have determined the appropriate asset allocation target, a detailed investment proposal is generally prepared. Within the framework of the asset allocation target, broad portfolio diversification is pursued to contain volatility to the extent possible. In implementing portfolios Envision generally deploys exchange-traded funds (ETF’s) and institutional class mutual funds (open-end funds) while also considering the use of individual equity and fixed income securities, separately-managed accounts, structured notes, limited partnerships or interval funds as appropriate.

Recognizing the ongoing importance of asset allocation, Clients’ asset allocations are generally monitored weekly (actual vs. target) and deviations beyond an acceptable threshold are placed on a short list for review and possible rebalancing.

Achieving investment objectives in light of uncertainties in the capital markets requires assumption of risks and investing in securities involves risk of loss that Clients should be prepared to bear. Risks may stem from inflation, interest rate changes, volatility of a

security's price and yield, liquidity, default, and other factors. Diversification may reduce certain controllable business risks. Systematic risk, however, common to all securities, cannot be eliminated through diversification. Market risk, interest rate risk, and inflation risk are all types of systematic risks that cannot be eliminated. Only by assuming a reasonable and appropriate amount of systematic risk can a portfolio expect to grow at a rate greater than inflation. While a portfolio's tolerance for volatility may be largely influenced by the portfolio's time horizon and cash flow needs, it also must consider the appetite for volatility on the part of the account holder.

Longer time horizon and higher tolerance for volatility support a more aggressive portfolio investment objective in which greater volatility is accepted to pursue long-term growth of the portfolio. Shorter time horizon and lower tolerance for volatility support a more conservative portfolio investment objective in which lower volatility is pursued and return expectations are reduced.

The major investment classes that Envision employs or considers consist of the following:

- **Equities** – Equities include common stocks of domestic and international corporations as well as mutual funds, exchange-traded funds, and other investment vehicles or strategies that invest in common stocks. Common stocks are generally characterized by residual ownership in which return of principal is not guaranteed and investors may lose principal; common stockholders may receive distributions of earnings in the form of dividends and may realize capital gains or losses upon sale of their common stock interests. Equities have historically produced higher long-term returns than fixed income or cash equivalents with significantly higher near-term volatility. While the volatility of equities may result in significant near-term gains or losses, the negative effects of the volatility of equities relative to fixed income and cash have generally been reduced or eliminated over longer time horizons. Over longer time horizons, the higher returns of equities have generally provided better protection against inflation than fixed income or cash.
- **Fixed Income** – Fixed income investments include domestic and international debt obligations, including mutual funds, exchange-traded funds and other investment vehicles or strategies that invest in debt obligations. In the case of a debt obligation, the purchaser generally receives principal and interest payments over an identified term. Debt obligations generally represent priority claims over equity interests, although creditworthiness (ability to repay debt) varies widely, and default may result in loss of principal. In addition to interest income, capital gains or losses may be realized on the sale of debt obligations. Fixed income instruments have generally produced long-term returns that are significantly lower than equities but higher than cash equivalents. Fixed income instruments have generally exhibited near-term volatility that is significantly lower than equities but higher than cash equivalents. Over longer time horizons, fixed income instruments have generally

provided protection against inflation that has been significantly lower than that of equities but greater than that of cash equivalents.

- **Cash Equivalents** – Cash equivalents include money markets and equivalent short-term interest-bearing instruments having daily withdrawal rights. Cash equivalents have generally produced long-term returns that are significantly lower than equities and lower than fixed income instruments, although with near-term volatility that is significantly lower than equities and lower than fixed income instruments. Over longer time horizons, the lower returns of cash equivalents have generally provided significantly less protection against inflation than equities and less than fixed income instruments.
  
- **Alternatives** – Alternatives are non-traditional investments distinguished from long-only, publicly-traded investments in stocks, bonds, and cash. Alternative investments may include real estate, commodities, private equity or venture capital, hedge funds, managed futures, structured notes, and derivatives contracts. These funds may give the manager flexibility to use derivatives and leverage, to make investments in illiquid assets, and to take short positions. The assets in which these vehicles invest often include traditional assets (stocks, bonds, and cash) as well as less traditional assets. Management of alternative investments is typically active. Alternative investments often have many of the following characteristics:
  - Narrow specialization of the investment managers
  - Relatively low correlation of returns with those of traditional investments
  - Less regulation and less transparency than traditional investments
  - Limited historical risk and return data
  - Unique legal and tax considerations
  - Higher fees, in some cases including performance or incentive fees
  - Concentrated portfolios
  - Restrictions on redemptions (i.e., “lockups” and “gates”)

**Item 9 – Disciplinary Information**

NONE - No history of disciplinary issues.

**Item 10 – Other Financial Industry Activities & Affiliations**

NONE - Envision has no relationships or arrangements with other related financial industry participants. No conflicts of interest exist that might arise from such relationships or arrangements.

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

**Item 11A – Code of Ethics**

Employees of Envision are required to adhere to an extensive Code of Ethics (copy available upon request). Inherent in such Code is the principle that, at all times, employees

of Envision must hold the interests of Clients above all other interests, including their own personal interests.

**Item 11B – Participation or Interest in Client Transactions**

Employees of Envision generally do not buy or sell securities for Client accounts in which we, or related parties, have material financial interests. As such, no material conflicts of interest exist with Clients that might otherwise originate from such arrangements.

**Item 11C & 11D – Personal Trading**

While Envision and its employees may purchase or sell securities for our own accounts that we also recommend to Clients, and we may buy or sell securities for our own accounts at or about the same time that we buy or sell securities for Clients' accounts, we primarily recommend diversified vehicles such as open-end mutual funds and exchange-traded funds and our personal positions in such funds would not be considered material. As such, the personal trading activities of Envision and its employees would not likely create any material conflicts of interest with Clients.

While no conflicts are likely to exist, employees of Envision are required to report personal securities transactions quarterly and holdings annually. As always, Envision embraces its fiduciary duty to hold Clients' interests above all others and that duty extends to the personal trading activities of Envision and its employees.

**Item 12 – Brokerage Practices**

To effectively service Clients' accounts, Envision has established a custodial and brokerage relationship with Charles Schwab & Co., Inc. ("Schwab"). As such, Clients' trades are generally directed by our Clients to be placed through Schwab. Not all advisors require their clients to direct brokerage through one broker, and, by directing brokerage to Schwab, Clients may be unable to achieve the most favorable execution of transactions and this practice may cost Clients more money. However, Envision believes that economies of scale afforded our Clients by Schwab, in particular its institutional-class mutual fund and proprietary index fund platform offering highly competitive management fees and investment minimums, justifies our recommendation of Schwab as custodian and broker-dealer of choice. **Envision is unaffiliated with Schwab and receives no commissions or other material economic benefits from Schwab.**

In selecting Schwab as preferred custodian, determining factors included Schwab's strong financial condition, safeguarding and security of Clients' investments and personal information, costs of custody (no charge), costs of reporting (no charge), transaction costs, technology and institutional service capabilities, breadth and cost structure of the investment platform, research tools, industry reputation and integrity. While Schwab's transaction costs are highly competitive, at any given time others may charge lower commissions.

Envision does not engage in any “soft dollar” practices whereby advisors may “pay” for research or other benefits by directing trades/commissions to a certain broker. Envision is unaffiliated with Schwab and any tools or other resources provided by Schwab are provided as a courtesy by Schwab to all advisors that utilize Schwab for custody.

With respect to trade aggregation, while many of Envision’s Clients hold the same funds or securities, each Client’s portfolio is generally customized. As such, other than rare cases in which Envision identifies funds or securities that need to be liquidated from all Clients’ accounts at once, Clients’ accounts rarely trade the same funds at the same time. As a result, Envision will rarely aggregate trades.

#### **Item 13 – Review of Accounts**

Clients’ asset allocations are generally reviewed weekly relative to targets and deviations beyond an acceptable threshold are identified on a “short list” for review. Kevin Ellis, President, and Joshua Palleon, Chief Investment Officer, review out-of-tolerance asset allocations and pursue rebalancing as appropriate, remaining aware of tax implications for taxable accounts.

After the close of each quarter, Clients receive written performance reports delineating capital flows (i.e. reconciling beginning to ending account balance), time-weighted net returns for the portfolio over various time frames, portfolio holdings, internal rates of return for individual investments for the year-to-date, and quarterly advisory fees. Envision also provides written quarterly market commentary and offers to meet with Clients quarterly to review portfolios and revisit financial planning objectives. Clients are welcome to call any time if they have questions about their investments or financial planning issues.

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

Envision is passionate about the objectivity of investment recommendations made to Clients. As such, Envision has no referral relationships or other arrangements under which we would receive commissions or economic benefits from parties other than fees from Clients for services rendered. Further, we have no arrangements under which we compensate others for Client referrals.

#### **Item 15 – Custody**

SEC Rule 206(4)-2 defines custody as “holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.” Envision utilizes Charles Schwab & Co., Inc. (“Schwab”) as “qualified custodian” of Clients’ marketable investments under our supervision. Clients receive account statements directly from Schwab at least quarterly in paper form or electronically, although Clients have ongoing access to the previous ten years’ statements online. Envision encourages Clients to compare statements that they receive directly from Schwab to quarterly performance or other reports that Envision provides to Clients to verify the accuracy of transactions, advisory fees, etc.



Envision generally does not have custody of Client accounts/assets, except that Envision would otherwise be considered to have custody due to Clients' authorizations to deduct our advisory fees directly from Clients' accounts. Clients authorize Envision to deduct fees directly from their accounts and we do so quarterly in advance, which means that we charge fees in advance for a given quarter shortly after the close of the previous quarter based on account values at the close of such previous quarter.

It is worth noting that the SEC views certain Standing Letters of Authorization ("SLOA's") on the part of Clients authorizing advisors to initiate disbursements on their behalf to accounts of identified third parties to constitute custody. As such, Envision will not accept such authority to initiate distributions to accounts registered ONLY in the name of third parties. However, for the convenience of our Clients, several Clients provide us with limited authorizations to initiate transfers on their behalf between such clients' accounts. Examples include the following:

- Authority to transfer cash between a client's brokerage account held in the name of his/her IRA and the client's personal or joint bank account
- Authority to transfer cash between a client's joint or personal brokerage account and the client's personal or joint bank account
- Authority to transfer cash between a client's brokerage account held in the name of the client's individual or joint revocable living trust and the client's personal or joint bank account

#### Item 16 – Investment Discretion

Envision's investment advisory agreements and authorizations included in Clients' Schwab account applications provide us with discretionary authority to trade Clients' accounts on their behalf. Discretion primarily serves as a means of expediting our ability to trade on behalf of Clients. Clients generally do not place any limitations on our ability to trade their accounts, although accounts are rarely established with margin (i.e. borrowing) capabilities and we do not actively engage in margin trading nor do we directly trade in options. Envision generally prefers to gain consensus with Clients before placing trades, although Envision will execute trading discretion where we see fit.

#### Item 17 – Voting Client Securities

To avoid any potential conflicts of interest, Envision does not accept authority to vote proxies for Clients, nor do we vote Client securities. It is the responsibility of Clients to vote proxies or respond to other legal notices related to securities.

#### Item 18 – Financial Information

Envision has no financial conditions which would impair our ability to meet our contractual commitments to our Clients.

#### OTHER INFORMATION:



## Form ADV Part 2A

### **Class Actions and Other Legal Proceedings**

**Envision does not participate in legal proceedings, including class actions, on behalf of our Clients.**