

ITEM 1: COVER PAGE

MERITAGE Wealth Advisory

FINANCIAL PLANNING BROCHURE

This brochure provides information about the qualifications and business practices of Meritage Wealth Advisory, LLC, which also uses “Meritage Wealth Advisory” as a business name. 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 Meritage Wealth Advisory, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by our firm name or by a unique identifying number known as a CRD number. The CRD number for Meritage Wealth Advisory, LLC is 147969.

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact Ken Perine, Chief Compliance Officer, who is responsible for Meritage Wealth Advisory, LLC’s regulatory requirements, at 925-292-5936.

A separate firm brochure is available from Meritage Wealth Advisory, LLC which describes our service offerings for Retirement Plan Consulting. To obtain our firm brochures and brochure supplements (information regarding our financial advisors), our Code of Ethics, or our Privacy Policy, please visit our website at www.meritage-wealth.com, e-mail us at info@meritage-wealth.com, telephone us at 925-292-5936 or mail your request to the address shown below.

Meritage Wealth Advisory, LLC
1107 El Rio Ct. Livermore, CA 94551

This brochure was last updated on March 27, 2017.

ITEM 2: SUMMARY OF MATERIAL CHANGES

Our firm brochure has not had any material changes since the release of our prior version.

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ITEM 4: ADVISORY BUSINESS

Meritage Wealth Advisory, LLC began operations in 2009 and the principal owner is Ken Perine, CFP®. The firm is registered with the State of California as a Registered Investment Advisor.

Meritage Wealth Advisory, LLC provides wealth advisory, financial planning, and investment supervision services to individuals, their families, and their related entities (trusts, businesses, etc.). We work with our clients to define financial objectives and develop strategies for reaching those objectives. This may include providing investment supervision services to make sure your investment portfolio is aligned with your goals, risk tolerance, and investment time frame. Typical objectives may include identification of financial goals, cash flow analysis and budget development, tax planning, risk exposure review, investment guidance, retirement planning, estate planning, business exit and/or succession planning, employee benefits analysis, and/or other issues specific to you, the client. As necessary, and with your consent, we will co-ordinate with your other professional advisors as planning recommendations are formulated and/or implemented.

We actively seek to avoid, or at least minimize, conflicts of interest which may exist between our firm and our clients. However, all investment advisory firms will likely possess some unavoidable conflicts of interest. In those instances, when conflicts of interest arise, Meritage Wealth Advisory, LLC has adopted policies which seek to keep your interests paramount always. This brochure explores in further detail how we act to keep our clients' best interests first during our relationship with you.

All of our service offerings are tailored to the needs of the client. Your goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client.

ITEM 5: FEES AND COMPENSATION

At Meritage Wealth Advisory, we work with clients either on a project or ongoing basis.

Projects

Meritage Wealth Advisory offers two options for project work, either a flat fee Client Review and Roadmap, or an hourly rate Client Review.

Client Review and Roadmap

Our Client Review and Roadmap agreement is where we prepare a comprehensive financial plan for our clients. This review typically includes goal planning, cash flow planning, risk exposure review, tax planning, retirement planning, investment guidance, and estate planning. For this service, we charge a flat fee, with a \$2000 minimum and higher fees for more complicated cases. The actual fee will be negotiated before work begins. On occasion, and in rare instances, lower fees may be negotiated. Before we begin work we require a 40% down payment, with the balance of fees due as work is completed.

Analysis and recommendations will be based on information provided by you, the client. That information will be considered accurate and complete and will form the basis for our recommendations. We consider the presentation of our analysis and recommended plan of action as completion of our engagement.

Client Review

Under our Client Review agreement, we can either focus on a specific financial problem or area of concern, or develop a less detailed version of our full Client Review and Roadmap service. For this service, we have a \$500 minimum, collected before we begin work, and our hourly rate is \$200 per hour. Any recommendations provided are based solely on the information provided by you, the client, which is assumed to be accurate.

On completion of either of these agreements, if you would like to have us provide additional analysis and recommendations, review your progress, or update your plan, that work can be done at our hourly rate of \$200 per hour, at a flat fee under another Client Review and Roadmap agreement, or as part of an ongoing Wealth Advisory agreement.

Ongoing Services

If you would like to work with us on an ongoing basis, we provide Wealth Advisory Services, billed as a flat annual fee, or Investment Supervision Services, billed as an assets under supervision fee.

Wealth Advisory

If you would like ongoing financial planning and investment supervision services, what we call Wealth Advisory Services, this service will be provided for a minimum annual flat fee of \$2000, with higher fees for more complicated cases negotiated before work begins. The annual fee can be divided by four, and charged in advance or arrears four

times per year, or divided by twelve and charged in advance or arrears twelve times per year.

Investment Supervision

If you are only interested in having us supervise your investment portfolio and are not interested in our financial planning services, our fee for this service will range between 0.25% and 1.5% of assets under supervision, with fees generally declining as asset levels increase. The asset based fee can be divided by four, and charged in advance or arrears four times per year, or divided by twelve and charged in advance or arrears twelve times per year.

With this option, we work with you to determine your investment goals, risk tolerance, and investment time frames. We then recommend an investment portfolio that we feel is best suited to your specific needs. These portfolios will predominantly utilize low cost mutual funds and ETF's, but may also incorporate existing individual stock and bond holdings. We provide the due diligence on our underlying investment recommendations and monitor compliance with our selection criteria and alignment with your stated investment goals and objectives.

In the event services are terminated by Meritage Wealth Advisory, LLC or the client before work is completed, any fees collected will be prorated and returned. We request a written thirty-day notice detailing the reason for termination.

Other Fees

All fees paid to Meritage Wealth Advisory, LLC for financial planning, Wealth Advisory and Investment Supervision services are separate from the fees and expenses charged by broker-dealers and their representatives, mutual funds, custodians, third-party investment managers, and insurance providers.

Mutual and Exchange Traded Fund expenses are generally described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. In addition, these funds incur transaction costs and opportunity costs, which are not disclosed in the fund's prospectus or Statement of Additional Information, but which may be estimated.

Clients will incur transaction fees or commissions in connection with trading of mutual fund, ETF, individual stock and bonds and/or principal mark-ups and mark-downs for principal trades. These fees are charged by the custodian (brokerage firm holding the client's assets for

safekeeping). The transaction costs for stock and bond trades vary. Clients should review the fees charged by the funds (including transaction and opportunity costs within funds which are not included in a fund's annual expense ratio), the transaction fees charged by the custodian, as well as the fees charged by any third party investment managers to fully understand the total amount of fees and costs paid by the client. For a discussion of our practice in recommending brokers (custodians) to our clients, please see Item 12.

Clients may also incur "account termination fees" upon the transfer of an account from one brokerage firm (custodian) to another. You should contact your custodian (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees which may be charged and deducted from your accounts for any existing accounts which may be transferred.

If you don't feel our Investment Supervision approach is a good fit and would prefer to work with an investment manager that executes a different investment strategy than we do, we may recommend third party investment managers who are better suited to your specific needs. We provide due diligence and ongoing monitoring of these providers to ensure their performance and investment style remains aligned with your investment goals and objectives.

Clients referred to third party investment managers will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of the third-party managers' relevant disclosure documents. If you choose to work with a third-party investment manager, you may be charged various program fees in addition to the fee charged by our firm. These fees might include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, you may pay a single fee for advisory, brokerage, and custodial services.

Clients may also incur fees and/or commissions on insurance products they choose to purchase based on our recommendations. You are advised to review those agreements to make sure all costs are understood.

Meritage Wealth Advisory, LLC believes that the charges and fees offered are competitive with those offered by other firms offering similar services; however, lower fees for comparable services may be available.

ITEM 6: PERFORMANCE BASED FEES

Meritage Wealth Advisory, LLC does not use a performance-based fee structure because that might create an incentive for the adviser to recommend an investment that might carry a higher degree of risk for the client.

ITEM 7: TYPES OF CLIENTS

Meritage Wealth Advisory, LLC generally provides wealth advisory, financial planning, and investment supervision services to individuals, families, trusts, and estates. Our services might also be extended to entities related to the client, such as their business. Our financial planning engagements vary in scope and length of service. We do not impose a minimum net worth or investable assets condition on our clients.

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

Our security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers and periodicals. Research is also received from consultants, including financial economists affiliated with various fund companies. Prospectuses, statements of additional information, other issuer prepared information, and data aggregation services (Morningstar, etc.) are also utilized. We also attend various investment and financial planning conferences.

In designing investment plans for our clients, Meritage Wealth Advisory, LLC relies upon the information supplied by you the client and your other professional advisors. Such information may pertain to your financial situation, income needs, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance and capacity for risk.

This information becomes the basis for the strategic asset allocation plan which we believe will best meet your stated long term personal financial goals. The strategic asset allocation provides for investments in those asset classes which Meritage Wealth Advisory, LLC believes (based on historical data, expectations for future performance and our analysis) will possess attractive combinations of return, risk, and correlation over the long term.

A tremendous amount of academic research suggests that strategic asset allocation is the determining factor for much of the expected long-term gross returns of investor's portfolios. Based on this, the investment advice which Meritage Wealth Advisory, LLC provides incorporates the principles of Modern Portfolio Theory. This theory suggests the utilization of several different asset classes as part of an investor's portfolio usually reduces portfolio volatility (*i.e.*, the standard deviation of the portfolio returns) over long periods of time.

Our investment strategy is based upon leading academic research and the results of our own analyses. We believe that our clients are best served utilizing investment vehicles like low cost index funds, low cost mutual funds, and exchange traded funds (ETF's) using broad diversification. We also believe that you should tilt your portfolios to overweight certain factors academic research suggest outperform over long periods. This often permits a lowering of your overall allocation to equities, should you so choose, which in turn increases the allocation of your portfolio toward short-term and mid-term fixed income investments of generally high quality. Our research has shown that this usually results in a "smoother ride", providing reliable long term rates of return with reduced volatility.

Strategic allocation adjustments will generally only be made when we believe we can identify macro-economic trends that suggest changes to our strategic allocation. Factors like rising interest rates and inflation or high or low valuations relative to historic averages are examples of conditions that may warrant adjustment to strategic allocations.

New clients' existing investments are evaluated considering the desired investment objectives. When appropriate we work with new clients to develop a plan to transition from your existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by you at the start of the advisory relationship.

Investing in securities involves a risk of loss that you should be prepared to bear. The investment recommendations we make seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds, index funds, and ETF's) and investment in high quality fixed income securities or diversified bond funds.

However, this investment strategy can still subject you to declines in the value of your portfolios, which can at times be dramatic. We believe there is a high probability in most market environments of a long-term (15-year or greater) outperformance of small cap and value stocks, relative to large cap and growth stocks, hence we generally recommend the stock (equities) portion of your portfolio be "tilted" toward small cap and value stocks. Accordingly, the normally greater expected returns of the equity portion of the portfolio will in turn often permit the overall allocation to equities (stocks, stock mutual funds) to be reduced, and the allocation to fixed income investments increased. Meritage Wealth Advisory, LLC believes this is the best manner to temper the shorter-term volatility of the stock market, especially for clients who derive cash flow from their portfolios (such as clients who are in retirement years).

Given the long-term nature of the expected equity premium (*i.e.*, the additional expected return

for investing in the overall stock market, relative to less “risky” U.S. Treasury bills), and the long-term nature of the expected value and small cap effects, Meritage Wealth Advisory, LLC’s investment philosophy is best suited for patient investors who are comfortable sticking with a strategy for long periods of time. Meritage Wealth Advisory, LLC’s strategies are usually appropriate for clients possessing an investment time horizon of a minimum of ten years, and preferably even longer. Even in the long term, investing is inherently uncertain as to future returns.

While both macroeconomic and microeconomic risks are considered, Meritage Wealth Advisory, LLC does not engage in market-timing activities. Meritage Wealth Advisory, LLC believes the equity, value and small cap effects are highly likely to occur in the future, over long periods of time. However, there can be no assurance that these effects will occur over any given time period. While Meritage Wealth Advisory, LLC seeks to reduce non-compensated risks to which a client may be exposed, other risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the client’s longer-term financial goals and objectives. Meritage Wealth Advisory, LLC cannot provide any guarantee that your goals and objectives will be achieved.

Certain asset classes we may recommend, such as U.S. mid cap, small cap, and micro-cap, and funds of companies in emerging markets possess higher levels of volatility (as individual asset classes within a portfolio). Meritage Wealth Advisory, LLC may recommend exposure to these asset classes as part of an overall strategic asset allocation for a client. In doing so, we believe that the risk-return relationship for these securities will likely be beneficial for the investor over the long term.

While Meritage Wealth Advisory, LLC does not recommend the purchase or holding of individual common stocks, clients at times desire to retain certain existing holdings, or to purchase same. Common reasons why you might want to own individual securities include emotional ties to the stock and/or the presence of substantial unrealized capital gains, or other reasons. When individual common stocks (and related types of individual securities, such as American Depository Receipts) are held in your investment portfolio, your investment portfolio is exposed to “specific company risk”. The same type of risk is a factor when owning individual bonds, so if they are to be held, we typically recommend holding only very high quality debt—i.e., Individual U.S. government, government agency, AAA-rated and AA-rated corporate, and municipal bonds. All bonds bear a risk of default, and such individual corporate and municipal bonds generally possess somewhat higher risks. When Certificates of Deposit are recommended to clients, it is our intent that you hold the CDs to maturity.

In circumstances where our investment approach is not a good fit, Meritage Wealth Advisory, LLC may recommend the services of third party investment managers that are a better fit. Examples of when that may be appropriate include when those managers utilize different strategies or can access investment funds we don't have access to.

ITEM 9: DISCIPLINARY INFORMATION

The firm and its employees have not been involved in any legal or disciplinary events related to past or present activities.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Meritage Wealth Advisory, LLC and its principle, Ken Perine, CFP® may on occasion recommend the use of third party money managers to our investment advisory clients. When doing so, we may assume a solicitor relationship with the recommended third party money manager, and in that situation, may have our fee paid by them. This could create a conflict of interest. In that case, clients will be notified of the compensation arrangements between the third party investment managers and Meritage Wealth Advisory, LLC and/or Ken Perine. Clients are under no obligation to use the recommended asset managers and are notified that comparable services may be available from other service providers for less.

Meritage Wealth Advisory, LLC may at times recommend unrelated third party advisors (i.e. attorneys, tax professionals, consultants, etc.) who have greater expertise in certain disciplines when appropriate for the client. This could create an actual, or the appearance of a, conflict of interest. When making these recommendations we do not receive any compensation or referral fee from any of these advisors, and Meritage Wealth Advisory LLC clients are under no obligation to engage the services of any such recommended professional.

Additional information on how we manage conflicts of interest can be found in Item 11 (“Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”) and Item 12 (“Brokerage Practices”) of this Brochure.

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

Code of Ethics

Meritage Wealth Advisory, LLC employees have committed to the Certified Financial Planner Board of Standards Code of Ethics, of which there are seven principles:

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1. Provide professional services with integrity.
2. Provide professional services objectively.
3. Maintain the knowledge and skills necessary to provide professional services competently.
4. Be fair and reasonable in all professional relationships. Disclose conflicts of interest.
5. Protect the confidentiality of all client information.
6. Act in a manner that demonstrates exemplary professional conduct.
7. Provide professional services diligently.

The firm will provide a copy of our Code of Ethics to any client or prospective client upon request.

Meritage Wealth Advisory, LLC does not currently participate in securities in which it has a material financial interest. Meritage Wealth Advisory, LLC and its related persons, as a matter of policy, do not recommend to clients, or buy or sell for client accounts, securities in which the firm or its related persons has a material financial interest.

Meritage Wealth Advisory, LLC's Code of Ethics provides that individuals associated with our firms may buy or sell securities for their personal accounts identical or different than those recommended to clients. However, it is the expressed policy of our firms that no person employed by the firms shall prefer his or her own interest to that of a client nor make personal investment decisions based on investment decisions of our clients.

To supervise compliance with the Code of Ethics, our firm requires that anyone associated with this advisory practice and who possesses access to advisory recommendations (before or at the time they are entered into) ("access persons") must provide annual securities holding reports and quarterly transaction reports to Meritage Wealth Advisory, LLC's Chief Compliance Officer.

The Code of Ethics further includes our firms' policy prohibiting the use of material non-public information and protecting the confidentiality of client information. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

ITEM 12: BROKERAGE PRACTICES

Meritage Wealth Advisory, LLC may recommend using one or more brokerage firms to maintain custody of clients' assets and execute client transactions based on criteria important to you, the

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client, and additional services provided to Meritage Wealth Advisory, LLC, or custodial relationships with recommended third party investment managers. Considerations may include where your existing accounts are held, transaction fees charged, reliability of execution services, availability of research and back office support, and access to funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher initial investment.

Client accounts maintained by these brokerage firms may be charged separately for transactions and custody services provided or may be compensated by account holders through commissions and other transaction-related or asset based fees for securities trades that are executed by the brokerage. These fees are in addition to fees charged by Meritage Wealth Advisory, LLC, and are not paid to Meritage Wealth Advisory, LLC. Meritage Wealth Advisory, LLC has no authority or control of these fees as they are determined by the brokerage. Meritage Wealth Advisory, LLC will recommend brokers it feels offer the best overall value for fees charged, but ultimately it is your decision which brokerage will be used to custody your accounts. You are never under any obligation to act on the recommendations of Meritage Wealth Advisory, LLC.

Brokerage firms and third party money managers recommended by Meritage Wealth Advisory, LLC have no direct ownership interest and are not affiliated with Meritage Wealth Advisory. They may provide economic benefits to the firm because Meritage provides investment advice to clients. Products and services provided may be used to service some Meritage Wealth Advisory clients, but not all. Products and services provided will vary depending on the brokerage firm or third party money manager used, but may include some or all of the following:

1. Ability to review client account data
2. Trade execution and aggregation systems
3. Investment research reports
4. Compliance, legal, and business consulting
5. Ability to have advisory fees paid directly from client accounts
6. Access to portfolio analysis tools and presentation resources

ITEM 13: REVIEW OF ACCOUNTS

Reviews for project clients will be conducted when we are engaged by the client to do so, and will generally be provided on a one-time basis. Investment account supervision is included with our ongoing investment supervision and wealth advisory services. In these engagements, client accounts will generally be reviewed quarterly and under no circumstances less than annually. Accounts may be reviewed more frequently as required based on material changes in your financial situation, or the market, political or economic environment. When conducted, client

investments will be reviewed for progress toward stated goals and compliance with risk tolerance guidelines. All reviews will be conducted by the principal, Ken Perine, CFP®.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

While always appreciated, Meritage Wealth Advisory, LLC does not pay related or non-related persons for referring potential clients to our firm. We do not accept or allow our related persons to accept any sales awards or other prizes from a non-client in conjunction with the services we provide.

ITEM 15: CUSTODY

Meritage Wealth Advisory, LLC does not take custody of client assets, but may recommend custodians to clients. We encourage clients to review their statements from custodians carefully. In the event clients utilize third party asset managers separate from their custodian, statements from the third party money managers should be compared with those from the custodian to verify expenses and fees are accurate and properly disclosed.

ITEM 16: INVESTMENT DISCRETION

Meritage Wealth Advisory, LLC does not exercise discretion over client investment accounts.

ITEM 17: VOTING CLIENT SECURITIES

Meritage Wealth Advisory, LLC does not vote proxies for securities it recommends to clients.

ITEM 18: FINANCIAL INFORMATION

Meritage Wealth Advisory, LLC does not have any financial impairment that will prevent the firm from meeting contractual commitments to clients. An audited balance sheet is not required to be provided because Meritage Wealth Advisory, LLC does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1200 per client, six months or more in advance.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

- A. Education and Business Background of Principals

Name: Ken Perine, CFP®

Ken has earned the CFP® certification. Certified Financial Planners™ are licensed by the CFP Board to use the CFP® mark. Certification requirements are as follow:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Agree to be bound by the CFP Board's Standards of professional conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Formal Education:

- San Diego State University – B.S. Business Administration Information Systems 1987
- University of California Berkeley Extension – Certificate in Personal Financial Planning 2006
- Financial Planning Association Residency Program October 2008

Business Background:

- Vice President General Manager Danforth Screw & Bolt Co. Inc 1987-2008
- Meritage Wealth Advisory, LLC 2009- present

B. Other Business Activities

Ken is also a director of DSBC Property, LLC a commercial rental real estate holding company and may on occasion act as an independent contractor for other financial services professionals.

C. Performance Based Fees

Meritage Wealth Advisory, LLC and its advisors are not compensated for advisory services based on the performance of client invested assets.

D. Disciplinary Information

Ken Perine, CFP® has not been nor is currently the subject of any reportable legal or disciplinary event.

E. Relationship with Issuer of Securities

Ken Perine, CFP® does not have any relationship or any other arrangement with any issuer of securities.