

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser:

**Alpha Financial Management, Inc.**

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

**7505 Waters Avenue, Suite E-1****Savannah****GA****31406****( 912 ) 353-9343**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

**FORM ADV****Part II - Page 2**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801-N/A

Date:

**10/26/2009****1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)**Applicant:**

- |                                     |     |   |            |
|-------------------------------------|-----|---|------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services . . . . .  | <u>25%</u> |
| <input type="checkbox"/>            | (2) | Manages investment advisory accounts not involving investment supervisory services . . . . .  | <u>%</u>   |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above . . . . .  | <u>50%</u> |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . . | <u>%</u>   |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   | <u>25%</u> |
| <input type="checkbox"/>            | (8) | Provides a timing service . . . . .   | <u>%</u>   |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above . . . . .   | <u>%</u>   |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

**B.** Does applicant call any of the services it checked above financial planning or some similar term? . . . . .Yes No  
☒ ☐**C.** Applicant offers investment advisory services for: (check all that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges  | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other             |

**D.** For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 3**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801- **N/A**

Date:

**10/26/2009****3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                               | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                     |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter             | I. Options contracts on:   |
| <input checked="" type="checkbox"/> (3) foreign issues                                 | <input type="checkbox"/> (1) securities                                    |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input type="checkbox"/> B. Warrants   | J. Futures contracts on:   |
|  | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (2) intangibles                                   |
| <input type="checkbox"/> D. Commercial paper   | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> E. Certificates of deposit                         | <input checked="" type="checkbox"/> (1) real estate                        |
| <input checked="" type="checkbox"/> F. Municipal securities                            | <input checked="" type="checkbox"/> (2) oil and gas interests              |
|  | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| G. Investment company securities:  | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input type="checkbox"/> (1) variable life insurance                                   |  |
| <input type="checkbox"/> (2) variable annuities  |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                             |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input type="checkbox"/> Short term purchases<br>(securities sold within a year)             | (6) <input type="checkbox"/> Option writing, including covered options, uncovered<br>options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 4**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801-N/A

Date:

**10/26/2009****5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**FORM ADV****Part II - Page 5**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801- **N/A**

Date:

**10/26/2009****9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes No  
☐ ☒

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Please refer to Schedule F, Item 11.A.**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Please refer to Schedule F, Item 11.B.**

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 6**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801-N/A

Date:

**10/26/2009****12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold? . . . . .

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used ? . . . . .

Yes No

☒ ☐

(4) commission rates paid? . . . . .

Yes No

☒ ☐

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . .

Yes No

☐ ☒

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☐ ☒

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? . . . . .

Yes No

☐ ☒**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801-N/A

Date:

**10/26/2009**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident.No.:

**58-2441701**Item of Form  
(identify)

Answer

Item 1.D.

**ADVISORY SERVICES AND FEES**

Alpha Financial Management, Inc. (hereinafter "AFM" or "the Firm") offers personalized investment advisory services to individuals, trusts, estates, charitable organizations, pension and profit sharing plans, corporations, and other business entities.

AFM is a corporation formed under the laws of Georgia. This Schedule F narrative provides Clients with information regarding AFM and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory Client of AFM.

Please contact Iris Mack Dayoub, Ph.D., President/CEO, if you have any questions about this Schedule F narrative. Additional information about AFM is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The Firm IARD number for AFM is 125800.

Individuals associated with AFM will provide its investment advisory services. These individuals are appropriately licensed, qualified, and/or authorized to provide advisory services on behalf of AFM. Such individuals are known as Investment Adviser Representatives (IARs).

**INVESTMENT ADVISORY SERVICES**

AFM has two types of services:

#1 To the extent it is requested to do so, AFM may provide its clients with financial planning and discretionary investment advisory services on a *fee-only* flat fee basis. AFM's annual investment advisory fee shall be a flat quarterly retainer based on the following schedule and shall be set forth in the *Investment Advisory Agreement* between AFM and the client:

		Net Worth			Quarterly		Annually	
		under						
				\$200,000	\$600.00		\$2,400	
\$200,001	to		\$300,000		\$750.00		\$3,000	
\$300,001	to		\$400,000		\$912.50		\$3,650	
\$400,001	to		\$500,000		\$1,075.00		\$4,300	
\$500,001	to		\$600,000		\$1,237.50		\$4,950	
\$600,001	to		\$700,000		\$1,400.00		\$5,600	
\$700,001	to		\$800,000		\$1,562.50		\$6,250	
\$800,001	to		\$900,000		\$1,725.00		\$6,900	
\$900,001	to		\$1,000,000		\$1,887.50		\$7,550	
\$1,000,001	to		\$2,000,000		\$2,050.00		\$8,200	
\$2,000,001	to		\$3,000,000		\$2,250.00		\$9,000	
\$3,000,001	to		\$4,000,000		\$2,940.00		\$11,760	
\$4,000,001	to		\$5,000,000		\$3,602.50		\$14,410	
\$5,000,001	to		\$6,000,000		\$4,235.00		\$16,940	
\$6,000,001	to		\$7,000,000		\$4,845.00		\$19,380	
\$7,000,001	to		\$8,000,000		\$5,423.00		\$21,692	
\$8,000,001	to		\$9,000,000		\$5,980.00		\$23,920	
\$9,000,001	to		\$10,000,000		\$6,510.00		\$26,040	
\$10,000,001	to		\$11,000,000		\$7,018.50		\$28,074	
\$11,000,001	to		\$12,000,000		\$7,503.50		\$30,014	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:  
**Alpha Financial Management, Inc.**

SEC File Number:  
801-N/A

Date:  
**10/26/2009**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident.No.:  
**58-2441701**

Item of Form  
(identify)

Answer

Item 1.D.  
(continued)

These fees are based on the asset value at the time of the engagement and will be adjusted if necessary at the end of three years and every three years thereafter. This quarterly retainer is cancelable anytime upon receipt of written notice. Fees are due quarterly in advance and a pro-rata refund will be paid to the client if cancelled in the middle of any quarter.

#2 Investment advisory fees for institutions without any financial planning services.

Total Assets Under Management	Annual Fee
Less than \$100,000	1.5%
\$100,000 - \$1,000,000	1.0%
\$1,000,001 - \$2,000,000	0.9%
\$2,000,001 - \$3,000,000	0.8%
\$3,000,001 - \$4,000,000	0.7%
\$4,000,001 - \$5,000,000	0.6%
More than \$5,000,000	0.5%

These fees are based on the asset value at the time of engagement. This agreement is cancelable anytime upon receipt of a written notice. Fees are due quarterly in advance and a pro-rata refund will be paid to the client if cancelled in the middle of any quarter.

AFM, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

AFM, in its discretion may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee. The Firm may allow such aggregation, for example, where the Firm services accounts on behalf of minor children of current Clients, individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow Clients the benefit of an increased asset total, which could potentially cause the accounts to be assessed a reduced total advisory fee than if the accounts assessed the fees separately.

Payment of AFM's management fees will either be invoiced directly or made by the qualified custodian holding the Client's funds and securities provided the Client supplies written authorization permitting the fees to be paid directly from the account. AFM will not have access to Client funds for payment of fees without written consent by the Client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the Client, showing all disbursements from the account. The Client is encouraged to review all account statements for accuracy. AFM will receive a duplicate copy of the statement delivered to the Client.

**GENERAL INFORMATION ON ADVISORY SERVICES AND FEES**

AFM shall never have custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these services.

The fees charged are calculated as described above, and are not charged on the basis of a

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:  
**Alpha Financial Management, Inc.**

SEC File Number:  
801-N/A

Date:  
**10/26/2009**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident.No.: <b>58-2441701</b>
Item of Form (identify)	Answer	
	<p>share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory Client (15 U.S.C. §80b-5(a)(1)).</p> <p>AFM does not represent, warrant, or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.</p> <p>Advice offered by AFM may involve investment in mutual funds. Clients are hereby advised that all fees paid to AFM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (as described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, these transaction charges may be incurred when purchasing or selling securities. AFM does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by mutual funds, brokers, custodians, AFM, and others to fully understand the total amount of fees to be paid by the Client.</p>	
Item 3.L.	<p><b><u>TYPES OF INVESTMENTS</u></b></p> <p>AFM reserves the right to advise Clients on any other type of investment that it deems appropriate based on the Client's stated goals and objectives. AFM may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or any investment on which the Client requests advice.</p>	
Item 5.	<p><b><u>EDUCATION AND BUSINESS STANDARDS</u></b></p> <p>Associated persons of AFM, who are involved in determining or giving investment advice to clients must meet all examination, licensing or experience requirements of the states and/or jurisdictions in which the individual provides advisory services. In addition, any staff member involved in giving investment advice to clients is required to have an undergraduate degree from an accredited university. Further, they are expected to adhere to the same standards and be bound by the Code of Ethics of the National Association of Personal Financial Advisors. This includes completing the required 60 hours of approved continuing education credits every two years.</p>	
Item 6.	<p><b><u>EDUCATION AND BUSINESS BACKGROUND</u></b></p> <p><b>IRIS MACK DAYOUB</b> Born: 1937 Post-Secondary Educational Background:</p> <ul style="list-style-type: none"><li>➤ Morris Harvey College, Charlestown WV, University of South Carolina, Columbia SC, 1954 – 1958, 1964 – 1968, B.S. Mathematics Ed, M.S. Mathematics</li><li>➤ Georgia State University, Atlanta GA, 1971 – 1973, Ph.D. Mathematics Education.</li></ul> <p>Recent Business Background:</p> <ul style="list-style-type: none"><li>➤ Alpha Financial Management, Inc., President and Chief Compliance Officer, 04/1995 to Present.</li></ul> <p>Dr. Dayoub ultimately determines the investment advice given to clients.</p>	
Item 9.E.	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></b></p> <p>AFM or individuals associated with the Firm may buy or sell – for their personal account(s) - investment products identical to those recommended to clients. It is the expressed policy of AFM that employees shall not have priority in any purchase or sale over clients' accounts. <sup>(1)(2)</sup></p> <p>The Firm has adopted a Code of Ethics, the full text of which is available to clients and</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

**Alpha Financial Management, Inc.**

SEC File Number:

801-N/A

Date:

**10/26/2009**

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident.No.: <b>58-2441701</b>
Item of Form (identify)	Answer	
	<p>prospective clients upon request. The Firm has several goals in adopting this Code. First, the Firm desires to comply with all applicable laws and regulations governing its practice, and secondly, the management of the Firm has determined to set forth guidelines for professional standards, under which all associated persons of the Firm are to conduct themselves. The Firm has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, integrity, good faith and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. In addition, the Firm maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm.</p> <p>Footnotes:</p> <p>(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of AFM' clients trade in sufficiently broad markets to permit transactions by Clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with AFM' records in the manner set forth above.</p> <p>(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.</p>	
Item 11. A.	<p><b><u>REVIEW OF ACCOUNTS</u></b></p> <p>AFM's president, Iris Dayoub, Ph.D., monitors all accounts on a continuous basis to ensure the advisory services provided to the Client are consistent with the Client's investment needs and objectives. Triggering factors that may stimulate additional reviews of a Client's account include, but are not limited to, changes in market conditions, changes in the Client's financial situation or investment objectives, and/or the client's request for an additional review of the account.</p> <p>All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or telephonically) are encouraged to review financial planning issues, investment objectives and account holdings with the Registrant on an annual basis.</p>	
Item 11.B.	<p><b><u>REPORTS TO CLIENTS</u></b></p> <p>Written reviews are done annually and include a return on investment calculation. Clients will also receive a monthly account statement from their custodian.</p>	
Item 12.A. (1), (2), (3), (4)	<p><b><u>INVESTMENT OR BROKERAGE DISCRETION</u></b></p> <p>Clients may grant AFM complete discretion over the selection and amount of securities to be bought or sold, the broker or dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, AFM's investment authority may be subject to specified investment objectives, guidelines and/or conditions imposed by the Client. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry.</p>	
Item 12.B.	<p><b><u>SUGGESTION OF BROKERS</u></b></p> <p>If requested, AFM will arrange for the execution of securities brokerage transactions for the account through broker-dealers that AFM reasonably believes will provide "best execution." In</p>	

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: <b>Alpha Financial Management, Inc.</b>	SEC File Number: 801-N/A	Date: <b>10/26/2009</b>
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident.No.: <b>58-2441701</b>
Item of Form (identify)	Answer	
Item 12.B. (continued)	<p>seeking "best execution," the determinative factor is not necessarily the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although AFM will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions. All firms recommended to clients for these services are independent and unaffiliated FINRA members.</p> <p>AFM recommends that Clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab &amp; Co., Inc. ("Schwab Institutional"), a registered broker-dealer, member SIPC/NYSE, to maintain custody of the Client's assets and to effect trades for their accounts. Clients are advised that there may be transaction charges involved when purchasing or selling securities. AFM does not share in any portion of the brokerage fees/transaction charges imposed by Schwab Institutional. Additionally, the commission/transaction fees charged by Schwab Institutional may be higher or lower than those charged by other broker-dealer/custodians.</p>	
Item 13.A.	<p><b><u>ADDITIONAL COMPENSATION</u></b></p> <p>Schwab Institutional provides AFM with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of the adviser's Clients account assets are maintained at Schwab Institutional. Schwab Institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require significantly higher minimum initial investments.</p> <p>Schwab Institutional also makes available to AFM other products and services that benefit AFM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of AFM's accounts, including accounts not maintained at Schwab.</p> <p>Schwab's products and services that assist AFM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of AFM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.</p> <p>The availability to AFM of the foregoing products and services is not contingent upon AFM committing to Schwab Institutional any specific amount of business (assets in custody or trading).</p> <p><b><u>MISCELLANEOUS</u></b></p> <p><i>Proxy Voting</i></p> <p>AFM will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client's assets may be invested. Although AFM may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights.</p> <p><i>Class Action Lawsuits</i></p> <p>From time to time, securities held in the accounts of clients will be the subject of class action</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: <b>Alpha Financial Management, Inc.</b>	SEC File Number: 801-N/A	Date: <b>10/26/2009</b>
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:	IRS Empl. Ident.No.: <b>58-2441701</b>
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Item of Form (identify)	Answer
	<p>lawsuits. The Firm has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.</p> <p>However, in the unlikely event that AFM receives any proxy materials or information regarding class action legal matters involving securities held in client accounts, including written or electronic proxy materials or notices of class action lawsuits, settlements, or verdicts affecting securities owned by a client, AFM will forward all notices, proof of claim forms, and other materials, to the relevant client. Electronic mail is acceptable where appropriate, if the relevant client has authorized contact in this manner.</p> <p><i>Confidentiality</i></p> <p>Protecting its clients' private information is important to AFM. Therefore, AFM has instituted policies and procedures to ensure that customer information is kept private and secure. AFM does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law. In the course of servicing a client account, AFM may share some information with its service providers, such as transfer agents, custodians, broker/dealers, accountants, and attorneys. AFM restricts internal access to non-public personal information to those employees who need access to such information in order to provide products or services to a particular client. AFM also maintains physical, electronic, and procedural safeguards to protect client information.</p> <p>A copy of AFM' privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, AFM will deliver a copy of the current privacy policy notice to its clients annually.</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).