

CONTINUUM FINANCIAL, LLC

Firm Brochure

This brochure provides information about the qualifications and business practices of Continuum Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (281) 964-3496 or by email at: adviser@continuumfinancial.com. 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 Continuum Financial, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Continuum Financial, LLC's CRD number is: 151881



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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Continuum Financial, LLC has transitioned from SEC registration to Texas State registration since the previous annual amendment filed on March 11, 2011. This brochure document has undergone significant changes, and the entire document should be reviewed carefully.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

Continuum Financial, LLC has been registered as an investment adviser since October 21, 2009. The principal owner is Harold J. Perkins.

B. Types of Advisory Services

Continuum Financial, LLC (hereinafter "Continuum Financial") offers the following services to advisory clients:

Services Limited to Specific Types of Investments

Continuum Financial limits investment management services to publicly traded stocks, bonds, mutual funds, exchange traded funds / notes and real estate investment trusts. However, other securities or investment products may be retained or added to accommodate special client situations.

Investment Supervisory Services

Typical Personal Clients:

Continuum Financial provides ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Security selection
- Asset allocation
- Active portfolio management

Our personal clients typically authorize us to exercise discretionary authority to select securities and execute transactions using their selected broker and asset custodian.

Our goal is to produce the returns required to meet or exceed each client's specific investment goals. Long-term success requires a thoughtful, sound process and consistent application. Each custom portfolio begins with a strategic diversification plan based on the client's return needs and risk profile. Proven statistical methods help determine a target asset allocation across a broad range of financial assets. But we never allow models to replace informed judgment and we will adjust model weightings should conditions warrant.

Our *Core and Satellite* approach offers the benefits of both active and passive security selection, while being tax and cost efficient.

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A core of individual stocks and bonds are selected and monitored in-house. Independent analysis from multiple research firms provides added perspective to our evaluations. We look for opportunities to invest at prices that offer a margin of safety to intrinsic values, and will exit positions once they appear over-valued.

We increase portfolio diversity through select exchange-traded funds (ETFs). These investments can provide added exposure to specific market sectors at low cost.

Corporate and Special Needs Clients:

Continuum Financial also provides ongoing monitoring and security selection as needed to satisfy the specific investment policies for corporations or unique client situations.

401(k) & Retirement Plan Fiduciary Services:

Continuum Financial provides investment advisory and ERISA consulting services to employers offering 401(k) and other types of qualified retirement plans for their employees. Investment advisory services include establishing written investment policies and monitoring plan investment options. Consulting services include reviewing plan design, documents and operating procedures. Ongoing fiduciary diligence is provided through structured committee meetings and documented with minutes of the items the reviewed and committee actions.

Services Limited to Specific Types of Investments

Continuum Financial generally limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, and government securities. Continuum Financial may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

Continuum Financial offers the same suite of services to all of its clients. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client account, or if the restrictions would require expertise outside our standard suite of services, we reserve the right to end the relationship.

D. Wrap Fee Programs

Continuum Financial does not participate in any wrap fee programs.

E. Amounts Under Management

Continuum Financial has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$18,844,887.00	\$27,792,103.00	12/31/2011

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$250,000 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.85%
\$1,000,001 - \$2,000,000	0.70%
\$2,000,001 - \$3,000,000	0.60%
Above \$3,000,000	0.50%

These fees may be adjusted to accommodate unique client situations. The agreed upon fee schedule is contained as part of each investment advisory agreement. Fees are calculated monthly in arrears. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Clients may also terminate their contracts with ten days' written notice; however, investment discretion can be terminated immediately upon written notice.

In cases where Advisor fees are directly deducted, Advisor is required to a.) Obtain client authorization, b.) Send a copy of the invoice to the client at the same time that the Continuum Financial directs invoice to the custodian for payment, c.) Disclose that the custodian will send quarterly invoices to the client wherein Advisor fees are itemized.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are calculated monthly in arrears. Payment is typically withdrawn monthly, directly from the client's accounts in accordance with client written authorization. In certain circumstances advisory fees may be invoiced to the client for payment on a monthly basis.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. brokerage commissions, custodian fees, mutual fund expenses, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Continuum Financial. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

Continuum Financial collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Continuum Financial and its supervised persons **do not accept commissions** or any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

Continuum Financial does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Continuum Financial generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations

Minimum Account Size

Continuum Financial targets a relationship minimum of \$250,000 of assets. This minimum may be adjusted based on the needs of the client and the complexity of the situation.

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

Methods of Analysis and Investment Strategies

Methods of Analysis

Continuum Financial's investment process includes strategic allocation, tactical sector weighting and individual security selection. Our long-term target weightings for asset classes are driven by statistical models using historical data on returns, risk and the correlations between assets. However, we do exercise informed judgment and will adjust asset weightings to reflect our view of current market valuations, risk and opportunities.

Our primary method for security selection uses fundamental analysis to gauge asset value relative to market prices. We support that fundamental assessment with technical and cyclical analysis to enhance timing decisions.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security or adjusting sector exposure.

Investment Strategies

Continuum Financial uses long term trading strategies designed to aid asset growth while staying within the client's risk tolerance. We attempt to initiate positions when market pricing allows for a significant margin of safety relative to our measure of a security's long term value. We will reduce and/or exit positions when pricing exceeds our gauge of value.

Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

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stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold : 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Risks of Specific Securities Utilized

Continuum Financial generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity and fixed income markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Private placements carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Continuum Financial nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Continuum Financial nor its representatives are registered as a FCM, CPO, or CTA.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Continuum Financial and its representatives may provide fiduciary and ERISA consulting services to employers offering 401(k) and other retirement programs. These services may include offering fiduciary advice on investment products for use by those retirement programs. Continuum Financial and its representatives always act in the best interest of the client and receive no compensation from the products recommended. Employers are in no way required to implement such advice or recommendations through any representative of Continuum Financial.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

Continuum Financial does not utilize nor select other advisors or third party managers, other than the use of mutual funds as described in item 4 above. All assets are selected and monitored by Continuum Financial's in-house management staff.

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

Code of Ethics

Continuum Financial has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

Recommendations Involving Material Financial Interests

Continuum Financial does not recommend or invest client funds in any security in which a related person to Continuum Financial has a material ownership or financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Continuum Financial may buy or sell securities for themselves that they also recommend to clients. Continuum Financial will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Continuum Financial may buy or sell securities for themselves at or around the same time as clients. Continuum Financial will trade client's non-mutual funds and non-ETF securities before they trade their own.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker/Dealers

Any brokerage firms or custodians that may be recommended by Continuum Financial are chosen based on their financial stability, operational excellence, costs of trade execution, administrative charges and the breadth of their access to financial markets. Continuum Financial will never charge a premium or commission on transactions, beyond the actual cost imposed by the brokerage firms or custodians.

1. Research and Other Soft-Dollar Benefits

Continuum Financial receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

Continuum Financial receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Continuum Financial allows clients to direct brokerage. Continuum Financial may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage Continuum Financial may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

Aggregating (Block) Trading for Multiple Client Accounts

Continuum Financial maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may at times benefit clients, we see the advantages as limited for most liquid securities due to the best execution practices of most large brokers /custodians.

Item 13: Reviews of Accounts

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts are personally reviewed at least monthly by Harold J. Perkins, Principal. Mr. Perkins is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least monthly a written report detailing the client's account which will come from their custodian.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Continuum Financial and its representatives do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients.

Compensation to Non -Advisory Personnel for Client Referrals

Continuum Financial does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Continuum Financial, with client written authority, has limited custody of client's assets through direct fee deduction of Continuum Financial's Fees only. If the client chooses to be billed directly by the Custodian, Continuum Financial would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where Continuum Financial provides ongoing supervision, the client has given Continuum Financial written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides Continuum Financial discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

Continuum Financial will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

Balance Sheet

Continuum Financial does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Continuum Financial nor its management has any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

Neither Continuum Financial nor its management has ever been the subject of a bankruptcy petition.

Item 19: Requirements For State Registered Advisers

Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Continuum Financial currently has only one management person and only one executive officer; Harold James Perkins. Mr. Perkins's education and business background can be found on the Supplemental ADV Part 2B form.

Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Harold James Perkins's other business activities can be found on the Supplemental ADV Part 2B form.

How Performance Based Fees are Calculated and Degree of Risk to Clients

Continuum Financial does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Material Disciplinary Disclosures for Management Persons of this Firm

No management person at Continuum Financial has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither Continuum Financial, nor its management persons, has any relationship or arrangement with issuers of securities.