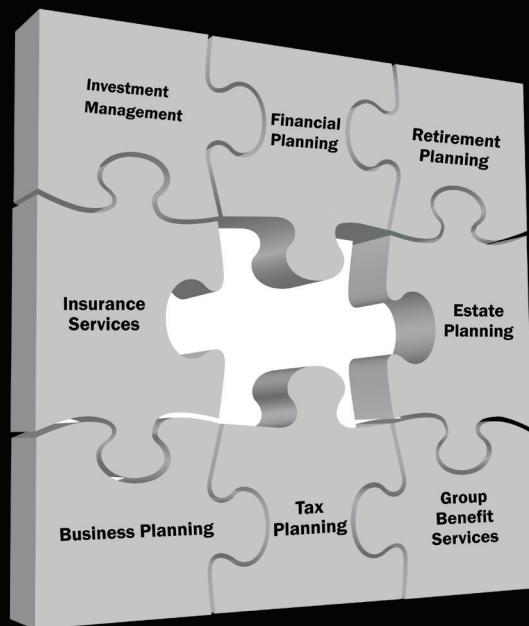


AdvancedFinancialStrategies

INTEGRATED WEALTH PLANNING & MANAGEMENT



This Brochure provides information about the qualifications and business practices of Advanced Financial Strategies Inc. (“AFS”). If you have any questions about the contents of this Brochure; please contact us at 949-502-5333 or Pierre@afs1.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 AFS is also available on the SEC’s website at www.adviserinfo.sec.gov. References to our firm as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.



ITEM 2: Material Changes

Changes Since the Last Update

This Item of the Brochure will discuss only specific changes that are made to the Brochure and provide clients with a summary of such changes. The last update of our brochure was March 30, 2016. This version of AFS' disclosure brochure, dated March 31, 2017, simply updates AFS' assets under management in Item 4, expansion of Item 4, 5, 8, 11, and 12 as well as enhancements and clarifications throughout. This reflects a change and expansion of disclosure and not a change in practice.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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ITEM 4: ADVISORY BUSINESS

TYPE OF ENTITY AND SERVICES PROVIDED.

AFS is a California corporation formed on January 2, 1997. Its founder/owner is Pierre Ngo, who has been in the financial services practice since 1986. Pierre Ngo also serves as the President and Chief Executive Officer of AFS.

We offer financial planning and related consulting services, non-investment consulting services, as well as other advisory services, including portfolio management, to a variety of clients. Our clients may include individuals, business entities, trusts, and estates. You may engage personnel of ours, in their individual capacities as registered representatives and investment adviser representatives, or as independent insurance agents to implement our financial planning and consulting services, on a commission bases. More particularly, AFS provides Comprehensive and/or Modular Financial Planning; Business and Estate Planning; and, Investment Advisory Services as detailed below. Prior to the rendering any of the foregoing advisory services, clients are required to enter one or more written agreements with AFS setting forth the relevant terms and conditions of the advisory relationship.

Assets Under Management & Assets Under Advisement

As of December 31, 2016, AFS has total \$107,301,001 of assets under management and assets under advisement. This consists of \$92,921,315 of discretionary assets under management, \$7,944,212 of non-discretionary asset under management and \$6,435,474 of non-discretionary asset under advisement.

Comprehensive Financial Planning

Financial planning is the process of determining whether and how an individual can meet life goals through the proper management of financial resources. This is an ongoing process to help you make sensible decisions about money that can help you achieve your financial goals and objectives in life. We provide a comprehensive evaluation of your current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Throughout the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients may choose to engage AFS to provide comprehensive financial planning service or a modular stand alone in-depth analysis on one or more financial planning subject areas. Clients choosing this service will either receive a detailed written comprehensive financial plan or a summary with recommendations, designed to assist our client in achieving their financial goals and objectives.

Financial Planning Process

The process of creating a financial plan usually involves, but is not limited to: (1) establishing and defining your advisor relationship; (2) gathering relevant data about you, including your goals and objectives; (3) analyzing and evaluating your current financial status; (4) developing and presenting financial planning recommendations or alternatives; (5) implementing the financial planning recommendations approved by you; (6) monitoring the implementation of the financial planning recommendations approved by you; and (7) periodically reviewing and adjusting the financial planning recommendations.



We gather required information through in-depth personal interviews. Information gathered includes details about your current financial status, your short-term goals and objectives, your retirement goals and ambitions, and your attitudes towards risk of loss in your investments. We also evaluate your anticipated cash needs at death, your income in the event of your disability, and the income needs of your surviving dependents. We may review your family records, budget, personal liabilities, and income tax records. We review the documents you supply carefully and in confidence. We then either prepare a detailed written comprehensive financial plan or a summary with recommendations.

It is entirely up to you to decide whether to implement some or all the proposed financial planning recommendations. If you so desire, however, we can implement those advisory recommendations for a separate and customary compensation. Pierre Ngo will assist you acting in his separate capacity as a registered representative of Capital Synergy Partners, Inc. AFS, doing business as: Aspen Financial and Insurance Services will assist you with insurance matters. Should you choose to implement the recommendations contained in the plan, we can also provide advice on non-securities matters. Generally, we do this in connection with rendering estate planning, estate administration, business planning, and insurance services. However, any utilization of these individuals, in their separate capacity as registered representatives and/or as independent insurance agents is completely at your discretion.

Modular Financial Planning: Apart from or in addition to the comprehensive financial planning services described above, AFS provides modular, in-depth, analysis of the following:

1. **Cash Flow Management Analysis:** Reviewing income and expense items with the objective of meeting your goals, which may involve adjusting, changing priorities, or establishing a new monthly budget.
2. **Estate Planning & Administration:** Identifying assets that might be included in your estate and analyzing the control, disposition, and taxation of those assets. Proposing changes for review with your attorney and or tax counsel to strive to accomplish the following:
 - Coordinating an effective method of disposition of your estate.
 - Minimizing the impact of income, estate, and gift taxes.
 - Ensuring that your estate will have sufficient liquidity to pay taxes.
 - Minimizing the emotional and financial burden of your beneficiaries.
 - Providing for the administration of your estate.
3. **Risk Management:** Analyzing your financial exposure relative to mortality, disability, or long-term care needs. We will also work in conjunction with your other insurance brokers or advisors regarding liability, business, and property insurances. We will assess your insurance needs, review insurance policies and summarize costs and benefits to ensure up-to-date coverage of risk and that your needs are met. AFS may also refer clients to a specialist; or, work with your current agent/broker for advice pertaining to liability, business, and/or property insurance policy coverage. AFS does not receive compensation for the referral to a specialist.



4. **Retirement Planning:** We will assess your income needs during retirement, factoring in any charitable giving, and develop a plan to meet those needs. The process involves the following steps:
 - Estimating future needs in today's dollars;
 - Calculating that amount in future dollars based on inflation rate assumption;
 - Estimating your expected income from social security, employee retirement plan and other sources;
 - Calculating the additional amount needed to provide you with adequate income for the future;
 - Implement tax minimization strategies;
 - Analyzing the alternatives and tax implications of various retirement plans and their funding vehicles and/or distributions at retirement age; and
 - Recommending appropriate investment vehicles to meet your goals.
5. **College Planning:** We will analyze the expected financial requirements of the future cost of college and establish a plan to pay those expenses.
6. **Real Estate:** Assisting you in analyzing economic and tax reasons for buying, selling, or financing property in which you have an interest.
7. **Business Planning:** Analyzing and recommending the form of business entity (*e.g.*, S or C corporation, partnership, limited liability company, *etc.*) best suited for your current or future business, analyzing your current and possible future business needs in conjunction with your attorneys and tax advisors (*e.g.*, buy-sell agreements, shareholder agreements, employment agreements, deferred compensation arrangements, *etc.*), analyzing your employee benefit needs (*e.g.*, company group health, life, long-term care and disability insurance, 401(k) and retirement plans, employee stock option plans, *etc.*), and evaluating the possible tax consequences and economic impact of the foregoing on your business.

All planning and analysis is based on the goals, objectives, time horizon, and risk tolerance of the client at the time the service is rendered. If the client's circumstances change, it is the client's responsibility to promptly notify AFS of any material changes. Failure to disclosed all such relevant information will limit AFS' ability to provide prudent advice.

OTHER ADVISORY SERVICES

AFS Asset Management Services

AFS customizes its asset management services to meet the needs of its individual clients and seeks to ensure that client portfolios are managed in a manner consistent with their specific risk profiles. AFS consults with clients on an initial and ongoing basis to determine their risk tolerance, investment time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify AFS if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if AFS determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts. AFS educates clients on market trends, economic forces and investment fundamentals to cultivate a better understanding of investment decisions.

AFS utilizes long-term, strategic asset allocation to assist you in meeting your investment objectives. We then make short-term, tactical changes to the amount we invest on your behalf in different classes of assets as market conditions dictate. You will complete an Investor Risk Profile Questionnaire to determine which of the following Five (5) investment profiles are appropriate for you: (1) Aggressive Growth, (2) Growth, (3) Moderate Growth, (4) Conservative Growth, and (5) Emphasis on Income. Each investment profile defines a different time horizon, return goal, and risk tolerance. In turn, your investment profile is primarily used to dictate the portfolio structure. Each of the foregoing investment profiles are described within the Risk Profile Questionnaire. Additionally, we may also customize your investment strategy and profile to achieve your specific needs and desires. Your investment account(s) will then be managed in accordance with the asset allocation investment strategy, investment profile(s), and your specific goals.



Strategic asset allocation consists of diversifying your portfolio among various asset classes specifically including, but not limited to: stocks, bonds, mutual funds (open-end and close-end), alternative mutual fund vehicles (alternative funds may take short positions or invest in currencies, derivatives, arbitrage strategies, global macro, hedge fund, long/short, or other instruments or strategies. Funds in this group may attempt to move in the opposite direction of the market or may have performance that is not correlated with the broad markets.), as well as exchange traded funds (ETF), CDs, and money market instruments. For **Accredited Investors**, AFS may recommend that clients invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles, when consistent with clients' overall objective.

We monitor your portfolio, and tactically allocate the amount invested in various asset classes in response to the changing market environments and in accordance with your own, personal degree of risk tolerance and investment objective(s).

Different types of investments and analysis involve varying degrees of risk and there can be no guarantee that any investment will achieve its objective, generate a positive return, or avoid losses.

Due Diligence and Selection of Independent Investment Managers

In addition to AFS's direct Asset Management services, AFS also provides due diligence and selection of certain Independent Investment Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Investment Manager are set forth in a separate written agreement between the designated Independent Investment Manager and either AFS or the client. In addition to this brochure, clients also receive the written disclosure documents of the designated Independent Investment Managers engaged to manage their assets.

AFS evaluates various information about the Independent Investment Managers it chooses to manage client portfolios. The Firm generally reviews a variety of different resources, which may include the Independent Investment Managers' public disclosure documents, materials supplied by the Independent Investment Managers themselves, and other third-party analyses it believes are reputable.

To the extent possible, the Firm seeks to assess the Independent Investment Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. AFS also takes into consideration each Independent Investment Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

AFS continues to provide services relative to the discretionary selection of the Independent Investment Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Investment Managers by reviewing the summary account statements and trade confirmations produced by the Financial Institutions, as well as other performance information furnished by the Independent Investment Managers and/or other third-party providers. AFS seeks to ensure the Independent Investment Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

AFS primarily accesses its Independent Investment Managers program through Envestnet Institutional Wealth Management Program (Envestnet). Envestnet utilizes the brokerage, execution and custody services of TD Ameritrade Institutional. Envestnet participates in this program which provides our clients with access to institutional Independent Investment Managers and their expertise. These managers (using their own proprietary methodologies) invest in a wide range of asset classes and use multiple investment strategies. AFS will provide clients a copy of Envestnet's Disclosure Brochure and other Independent Investment Managers disclosure documents prior to or concurrently with any asset allocations through the Envestnet program.

Qualified Plan Consulting Services

AFS provides qualified plan consulting services to certain qualified retirement plans. As part of this advisory service, AFS typically provides the following consulting to plan sponsor/trustee(s) (although some plan clients may select only a few of these options):

- Define the plan sponsor/trustee(s) goals and objectives.
- Research and provide recommendations of other service providers to the plan sponsor/trustee(s) for selections to set up a qualified plan.
- Assist the plan sponsor/trustee(s) in designing the plan with a third-party administrator ("TPA").
- Assist the plan sponsor/trustee(s) on the selection of the investments that are offered through a menu of investment choices by the service providers.
- Assist the plan sponsor/trustee(s) to monitor the services of other service providers.
- Provide relevant information to the plan sponsor/trustee(s) and assist in monitoring the plan's investment options.
- Assist the plan sponsor/trustee(s) by conducting enrollment meetings and education seminars for plan participants.
- Assist the plan sponsor/trustee(s) in meeting participants needs and suggest recommendations for changes when necessary.

For a select number of qualified plan clients, AFS also provides a separate service whereby it assists the plan sponsor/trustee(s) in the collection of year-end reporting data and provides such data to the plan's third-party administrator ("TPA") to enable the TPA to file certain required tax documents on behalf of the plan.

AFS typically receives a service fee ranging up to 0.50% of the plan asset for its qualified plan consulting services. The fee agreed upon between the client and AFS and the formula for determining the amount of asset base service fee and the manner of payment are disclosed in the selected custodian's Plan Services Agreement/Supplemental Information Guide.

If a plan client has opted to utilize AFS to assist in the collection of year-end data for the plans TPA, AFS charges an hourly fee ranging from \$65/hour to \$300/hour, depending on the AFS individual performing the work. Such fees are due and payable in arrears upon completion of the service.

Investment Alternatives

AFS also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, AFS either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.



Where necessary and appropriate, AFS investment advisory representatives ("IARs"), in their capacity as registered representatives of Capital Synergy Partners, Inc., a FINRA-Registered Broker-Dealer, may recommend to you a wide range of investment alternatives including a variety of variable annuities. AFS will assist you in evaluating how a particular variable annuity and its features fit your individual needs and objectives. An important component of any variable annuity screening and selection process includes carefully reading the variable annuity product prospectus and the variable annuity investment sub account prospectuses before making a purchase decision. Each prospectus contains important information which will help you make an informed choice.

AFS will provide you with the variable annuity product prospectus and literature containing the variable annuity investment sub account prospectuses. AFS will also answer your questions such as how the variable annuity investment sub accounts are priced, questions regarding the guaranteed benefits and optional riders available as well as all fees and related expense associated with purchasing and owning a variable annuity as an investment vehicle.

If we manage your money through a variable annuity contract, we will receive compensation from the annuity companies or their affiliates which sponsor the variable annuity contract. The payments from these companies to AFS are intended to cover expenses associated with servicing and managing your accounts. Clients will not be billed for any additional investment management fees by AFS other than the internal variable contract fees and related expenses. You should also be aware that different share classes of variable annuities will usually have different associated ongoing expenses. AFS may receive more or less initial and ongoing compensation depending on the variable annuity share class you elect.

You should consider the investment objectives, risks, charges, and expenses of variable annuities carefully before investing. The prospectus for each annuity contract contains this and other important information. Prospectuses for both the variable annuity contract and the underlying funds are available from AFS. You should read them carefully before investing.

Variable Annuities, issued by insurance companies, are long-term investment alternatives designed for retirement purposes. Withdrawals of taxable amounts are subject to income tax and, if made prior to age 59 ½, may be subject to a 10% federal tax penalty. An investment in variable annuities involves risk, including possible loss of principal. The contracts, when redeemed, may be worth more or less than the original investment.

Different types of investments and analysis involve varying degrees of risk and there can be no guarantee that any investment will achieve its objective, generate a positive return, or avoid losses.

ITEM 5: FEES AND COMPENSATION

Comprehensive and Modular Financial Planning, Business and Estate Planning

1. We will charge you for all Comprehensive and Modular Financial Planning, Business and Estate Planning services at the following rates:
 - \$300.00 per hour for all work performed by Pierre Ngo
 - \$175.00 per hour for all work performed by a Certified Financial Planner
 - \$100.00 per hour for all work performed by Registered Paraplanners, and
 - \$65.00 per hour for all work performed by Administrative Staff
2. We will provide you with an estimated total of hours anticipated to complete the project depending on the nature and complexity of each client circumstances. All outstanding fees shall be due and payable within thirty (30) days from the date when we present the plan to you. If you do not pay all fees billed within such thirty (30) days, a late fee of 1% per month (or the maximum legal rate, whichever is less) will be added to your statement on the unpaid balance. You or we may terminate our service at any time by written notice, but you will remain liable for all services rendered through the effective date of the termination.



AFS Asset Management Services

The AFS asset management fee shall be computed in accordance with the following schedule:

Applicable to the following Portfolios: Aggressive Growth, Growth, and Moderate Growth



Account Size	Annual Fee	Quarterly Fee
First \$250,000	1.000%	0.250%
Next \$250,000	0.875%	0.219%
Next \$500,000	0.750%	0.188%
Next \$1,000,000	0.625%	0.156%
Next \$3,000,000 + over	0.500%	0.125%

Applicable to the following Portfolios: Conservative Growth

Account Size	Annual Fee	Quarterly Fee
First \$250,000	0.625%	0.156%
Next \$250,000	0.500%	0.125%
Next \$500,000+ over	0.375%	0.094%

Applicable to the following Portfolio: Emphasis on Income

Account Size	Annual Fee	Quarterly Fee
First \$500,000	0.375%	0.094%
Over \$500,000 +	0.250%	0.0625%

GENERAL INFORMATION ABOUT FEES

AFS Asset Management Services

As provided for in the advisory agreement that you sign with AFS, AFS deducts its advisory fees from your custodial account. Management fees, which are payable quarterly in arrears, are calculated as a percentage of each account(s). This fee will be based upon the total value of each account(s) under management, computed as of the last business day of the calendar quarter. Valuations are provided to AFS from the underlying custodian by direct download from the custodian and/or client statements. We will usually deduct those fees from your account(s) in the first week after the preceding billable quarter.

The fees which we charge are not calculated charged based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory Client (SEC Rule 205(a)(1)). We will not make any pro rata adjustments for additions or withdrawals during the quarter, but we will prorate the fees if the entire account is opened in the middle of the quarter. With client authorization, we will typically withdraw our management fee automatically from the client's account each quarter upon instruction to the client's independent custodian. As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account including the management fee deducted during the reporting period.

Either party may terminate the investment management services agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time in writing.

TD Ameritrade and Fidelity may have transaction fees on the purchase and sale of stocks, bonds and certain mutual funds or exchange traded funds ("ETF"). Also, TD Ameritrade and some mutual funds impose a short-term redemption fee based upon their specified holding period (redemption fees typically operate only in short, specific time periods, commonly 30, 180, or 365 days. Charges are not imposed after the stated time has passed. These fees are typically imposed to discourage market-timers, whose quick movements into and out of funds can be disruptive. The charge is normally imposed on the ending share value, appreciated or depreciated from the original value.). Please refer to the TD Ameritrade fee schedule and the fund's prospectus for a more complete description. These transaction fees and short term redemption fees, if any, are separate and distinct from the management fees we charge. You should review the fees charged by the custodian, mutual funds and the fees charged by AFS to fully understand the total amount of fees which you will paid and to evaluate the nature and cost of the advisory services being provided.

Because mutual funds pay advisory fees to their managers and such fees are therefore indirectly charged to all holders of mutual fund shares, client's with mutual funds in their portfolios are effectively paying both the advisor and their mutual fund manager for the management of their assets. Certain mutual funds, in which clients may invest, distribute payments to broker-dealers or custodians. Such payments may be distributed pursuant to 12b-1 distribution plan or other such plan as compensation for administrative services and are distributed from the fund's total assets. Neither AFS, nor any of its officers and employees will receive, any such payments.

Custodians of client's assets may receive expense reimbursements from some mutual fund companies in an amount equal to the 12b-1 fees. Receipt of this revenue may directly offset some of the custodial and transaction costs that otherwise could have been charged to AFS or the client's.

Client's Responsibility of Third-Party Fees

AFS's investment management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, Independent Investment Manager and other third parties. Please see Item 12 for additional information about AFS's brokerage practices.

Mutual funds and exchange traded funds also charge internal management fees and other expenses which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of AFS's fee. AFS does not receive any portion of these commissions, fees and expenses.



Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to AFS's right to terminate an account. Additions may be in cash or securities provided that the AFS reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to AFS, subject to the usual and customary securities settlement procedures. However, AFS designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. AFS may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (e.g. short-term redemption fee(s)) and/or tax ramifications.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fee (separate fees charged on a share of capital gains in addition to asset-based fees) on accounts "side-by-side" with asset-based fee accounts.

ITEM 7: TYPES OF CLIENTS

We provide portfolio management services to individuals, including high net worth individuals, qualified retirement plans, corporations and other business entities. We generally require a minimum account size of \$250,000. We may, however, make exceptions to the minimum account size on a case by case basis.

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

Methods of Analysis

AFS uses the following method of analysis when formulating investment advise:

Macroeconomic Analysis – We employ macroeconomic analysis to help formulate investment strategies and recommendations. Macroeconomics is a branch of the economics field that studies how the aggregate economy behaves. In macroeconomics, a variety of economy-wide phenomena is thoroughly examined such as, inflation, price levels, rate of growth, national income, gross domestic product and changes in unemployment. It focuses on trends in the economy and how the economy moves as a whole. Macroeconomics differs from microeconomics, which focuses on smaller factors that affect choices made by individuals and companies. Factors studied in both microeconomics and macroeconomics typically have an influence on one another. A risk of using macroeconomics analysis is data and information may be too broad and we may overlook specific issues. To help control for this risk, we will use the following additional methods of analysis to help focus our investment recommendations.

Cyclical Analysis – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.



While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental Analysis – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.



Technical Analysis – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd.

The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Modern Portfolio Theory – MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, AFS's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

Investment Strategies

Based on its methods of analysis outlined above, the Firm customizes investment recommendations to each client's specific situation and constructs custom allocation portfolios that seek to achieve the specific return and risk goals of each client. To achieve this, AFS combines multiple asset classes in varying proportions to create a diversified portfolio intended to achieve a desired rate of return with the least possible amount of risk for that level of return.

Asset classes include, but not limited to: stocks, bonds, mutual funds (open-end and close-end), alternative mutual fund vehicles (alternative funds may take short positions or invest in currencies, derivatives, arbitrage strategies, global macro, hedge fund, long/short, or other instruments or strategies. Funds in this group may attempt to move in the opposite direction of the market or may have performance that is not correlated with the broad markets.), as well as exchange traded funds (ETF), CDs, and money market instruments. For **Accredited Investors**, AFS may recommend that clients invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles, when consistent with clients' overall objective.

The Firm's investment management strategy strikes a delicate balance among three primary ingredients: the science of managing risk and return (i.e., Modern Portfolio Theory), the art associated with experience and insight, and the reality of managing emotions such as greed and fear. Nowhere is this balance more evident than in the process of designing and executing an investment strategy—whether it is in the steps taken to create an asset allocation, the process for selecting investments, or the considerations for tax-efficient and cost-effective rebalancing.

AFS combines passive management with active strategies. Passive strategies offer the opportunity to deliver exposure to the capital markets at a low cost. Active strategies offer the potential to tap into flexible Independent Managers with the goal of achieving higher risk-adjusted returns than those generally experienced with a passive representation in the markets. AFS then constructs diversified portfolios specifically tailored towards each client's goals by utilizing strategic asset allocation along with tactical shifts between different asset classes as market conditions change.



Legacy Holdings. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. In general, depending on tax considerations and client sentiment, these investments may be sold over time and the assets invested in the appropriate AFS investment strategy. As with any investment decision, there is the risk that AFS' timing with respect to the sale and reinvestment of these assets will be less than ideal or even result in a short term or long term loss to the client.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the funds or companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information



Envestnet/Independent Investment Manager Services. We examine the experience, expertise, investment philosophies, and past performance of independent investment managers in an attempt to determine if that manager or investment program sponsor has demonstrated an ability to invest over a period of time and in different economic conditions. In some cases, we examine Envestnet's due diligence efforts and rely on such efforts, in addition to our own due diligence, of each independent investment manager available through the applicable program in which client assets may be invested. We also monitor the underlying holdings, strategies, concentrations and leverages used by any manager in which our clients' assets are invested as part of our overall periodic risk assessment. With respect to the independent investment services, clients should refer to the Program Sponsor's and manager's disclosure document that manage any portion of the client's account. For more information regarding the methods of analysis, sources of information and investment strategies used in servicing client accounts. A risk of investing with an independent investment manager who has been successful in the past, is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an independent investment manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies. Risks are applicable to all strategies. **We ask that you work with us to help us understand your tolerance for risk.**

Understanding the risks involved with investing and your own tolerance for risk is the key to help us best meet your investing needs. All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind.

Different types of investments and analysis involve varying degrees of risk and there can be no guarantee that any investment will achieve its objective, generate a positive return, or avoid losses.

While the goal is to achieve your investment profile objective, AFS may, at its discretion, utilize mutual funds and Exchange Traded Funds (ETFs) which move inversely to the market as part of a hedging strategy, either to reduce volatility in a down market or to have an inverse position in an attempt to profit in a down market. Inverse mutual funds and ETFs seek to provide the opposite of the performance of the index or benchmark they track. As with any investment strategy, there is a risk in hedging or having an inverse position. This is because, if the market increases, the portfolio using this strategy, instead of making a profit, may stay neutral or may even suffer a loss.

Changes in your financial situation, family circumstances, goals, or investment objectives might cause us to review, reevaluate, or revise our previous recommendations and/or the services we provide to you. Fluctuations in the value of your assets are normal. Even extreme fluctuations are not uncommon. Therefore, we cannot determine whether any adjustment is needed unless and until you notify us of a material change in your circumstances. You are solely responsible for promptly notifying us of such changes.

Risk of Loss

INVESTING IN SECURITIES INVOLVES INHERENT RISKS OF LOSS WHICH YOU SHOULD BE PREPARED TO BEAR.

- **Stock Market Risk**, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- **Foreign (non-U.S.) Investment Risk**, which is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.
- **Currency Risk**, which is the risk that overseas investments fluctuate in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk**, which is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income.
- **Interest Rate Risk**, which is the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- **Credit Risk**, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.



- **Political Risk**, which is the risk that an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control. Political risk is also known as "geopolitical risk."
- **Inflation Risk**, which is the uncertainty over the future real value (after inflation) of your investment.
- **Liquidity Risk**, which is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in unusually wide bid-ask spreads or large price movements (especially to the downside). The rule of thumb is that the smaller the size of the security or its issuer, the larger the liquidity risk.
- **Exchange Traded Fund (ETF) Risk**, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for several reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- **Management Risk**, which is the risk that the investment techniques and risk analyses applied by AFS may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to AFS. There is no guarantee that a client's investment objectives will be achieved.
- **Real Estate Risk**, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.
- **Investment Companies ("Mutual Funds") Risk**, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- **Inverse Funds Risk**, Inverse funds use derivative instruments to achieve their stated investment objectives. As such, these funds can be extremely volatile and carry a high risk. Inverse funds "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, the return for investors who invest for a period different than one trading day may vary significantly from the fund's stated goal as well as the target benchmark's performance. Inverse funds require active monitoring and management, as frequently as daily. They are not suitable for all investors and are not designed for long-term investment.
- **Commodity Risk**, generally commodity prices fluctuate for many reasons, including changes in market and economic conditions or political circumstances (especially of key energy-producing and consuming countries), the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation (agricultural,



trade, fiscal, monetary and exchange control), international politics, policies of OPEC taxation and the availability of local, intrastate and interstate transportation systems and the emotions of the marketplace. The risk of loss in trading commodities can be substantial.

- **Money Market Funds Risk**, money market funds, like mutual funds, are neither FDIC-insured nor guaranteed by the U.S. government or government agency and are not deposits or obligations of, or guaranteed by, any bank. Although certain money market funds seek to preserve their value of your investment at \$1 per share, it is possible to lose money by investing in such a fund. Mutual fund purchases may be subject to eligibility and other restrictions, as well as charges and expenses. Certain money market funds may impose liquidity fees and redemption gates in certain circumstances. Please read the prospectus carefully before investing. Tax-exempt funds may pay dividends that are subject to the alternative minimum tax and also may pay taxable dividends due to investments in taxable obligations.
- **Private Placement Risk**, because these investment offerings are unregistered with the SEC, they are not subject to some laws and regulation that are otherwise required by registered offerings. There are numerous other risks (e.g. liquidity risk, concentration risk, capital loss) in investing in these unregistered securities. Only accredited investors can invest in these vehicles. Prior to investing, you need to fully understand the risks that are associated with these securities by reviewing the private placement memorandum and/or other documents explaining such risks.

Securities and investments are not guaranteed and clients may lose money on their investments. We require that clients work with us to help us understand their risk tolerance in structuring their portfolio(s).

Additional information about the risks of any particular investment should be reviewed in that specific investment vehicle's disclosure documents and prospectus.

ITEM 9: DISCIPLINARY INFORMATION

AFS is required to disclose all material facts regarding any disciplinary events that would be material to the evaluation of AFS or the integrity of AFS' management. AFS has never had disciplinary information disclosures applicable to this item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Capital Synergy Partners, Inc., a FINRA-Registered Broker-Dealer

Pierre Ngo, President of AFS, is a registered representative of Capital Synergy Partners, Inc., registered broker-dealer and a member of FINRA and SIPC. As a registered representative, Mr. Ngo is licensed to sell general securities through Capital Synergy Partners, Inc. Accordingly, FINRA rules together with Capital Synergy Partners, Inc.'s policies require that the purchase or sale of any securities or variable products by Mr. Ngo must be placed exclusively through Capital Synergy Partners, Inc. In this capacity, Mr. Ngo can implement securities transactions for clients, for which Mr. Ngo may receive customary compensation from Capital Synergy Partners, Inc. that is in addition to the compensation Mr. Ngo receives from you.



Depending on the needs and preferences of each Client, AFS may recommend investment implementation directly through the fee-based offerings of AFS or through Capital Synergy Partners' commission-based products.

You may decide to use Mr. Ngo and Capital Synergy Partners, Inc. to implement transactions in variable life and/or annuity or other securities products, for which Mr. Ngo will receive customary industry commissions.

Asset management fees and brokerage commissions do not offset the hourly advisory fees paid to AFS. These commissions create a conflict of interest in AFS and/or Mr. Ngo recommending that you purchase or sell securities through Capital Synergy Partners, Inc. You are not, however, ever obligated to use Mr. Ngo and/or Capital Synergy Partners, Inc. to implement these transactions.

AFS mitigates the conflict of interest by requiring employees to adhere to the firm's Code of Ethics, having a fiduciary duty to the clients of AFS, which requires that employees put the interest of clients ahead of their own.

Aspen Financial & Insurance Services

Pierre Ngo (as an individual) and AFS (doing business as Aspen Financial & Insurance Services) are both licensed by the California Department of Insurance and certain other state insurance departments to sell the insurance products of any insurance company licensed by those states, for which Mr. Ngo and/or AFS would receive customary industry commissions. The insurance commissions received are separate from and in addition to any investment management services and/or advisory services that a client may pay to AFS. This presents a conflict of interest because AFS and/or Mr. Ngo may have an incentive to recommend insurance products because of the commission. When recommending commissionable products to clients, AFS has a duty to only recommend products that are suitable for the client. Clients are not obligated to act on any insurance recommendations or place any transactions through AFS and/or Mr. Ngo if they decide to follow the recommendations.

AFS mitigates the conflict of interest by requiring employees to adhere to the firm's Code of Ethics, having a fiduciary duty to the clients of AFS, which requires that employees put the interest of clients ahead of their own.



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

We have no greater responsibility than to put your interests before our own. We have a culture of transparency and integrity. Our Code of Ethics is designed to codify a culture of placing clients' interests first and treating clients as we would wish to be treated if we were clients.

Our Code of Ethics is adopted for all employees of the firm. It codifies the expectation of a high standard of business conduct and fiduciary duty to you. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, and personal securities trading procedures, among other things.

All employees of AFS must acknowledge the terms of the Code of Ethics annually, or as amended. Prompt reporting of internal violations is mandatory. Our chief compliance officer, Pierre Ngo, regularly evaluates employee performance to ensure compliance with the Code of Ethics. AFS requires that anyone associated with this advisory practice who makes or has access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. AFS also requires such access persons to receive approval from Mr. Ngo prior to investing in any IPO's or private placements (limited offerings). A copy of the Code of Ethics is available to you or any prospective client upon request. We welcome discussion on this important topic.

AFS or individuals associated with us may buy and sell some of the same securities for our own accounts that we buy and sell for you. We may buy or sell securities for our own accounts for reasons not related to the strategies adopted by our clients. We will disclose to you any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice. We will only place trades in our personal account after we believe there will be no more client trading in that particular security for the day.

It is our policy that the firm will not affect any principal or agency cross-securities transactions for your accounts. We will also not cross trades between your and another client's accounts. All trades are executed in publicly traded markets.

We maintain a list of all securities holdings for ourselves and anyone associated with this advisory practice who makes or has access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of AFS.

1. All clients are fully informed that AFS and certain individuals may receive separate compensation when effecting transactions during the implementation process.
2. We emphasize you run restricted right to decline to implement any advice rendered, except in situations where we are granted discretionary authority of your account.
3. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.
5. Our Code of Ethics further includes the firm's 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, including termination.

We will provide a complete copy of our Code of Ethics to you upon request.



Personal Trading Policy

AFS has adopted a personal trading policy outlined within its Code.

AFS's policy is based on the principle that it owes a fiduciary duty to clients to conduct personal securities transactions in a manner that does not interfere with client transactions or otherwise take unfair advantage of their relationship with clients.

AFS requires Associated Persons to pre-clear certain personal securities transactions. In addition, the Code requires Associated Persons to report certain security holdings initially upon being hired and annually thereafter. Finally, Associated Persons are required to report personal securities transactions to the Chief Compliance Officer on a quarterly basis.

AFS has certain proprietary accounts which fall under the definition of beneficial ownership due to certain Associated Persons' ownership stake in the firm. As provided for in AFS's portfolio management and trading policies, these accounts may participate in trade orders along with client accounts. This may create an incentive for AFS to put the interests of the firm ahead of clients; however, the Code requires AFS to put clients' interests first and to report personal transactions and holdings to the Chief Compliance Officer in accordance with the reporting requirements described above. These accounts are exempt from the pre-clearance requirements and personal trading restrictions described above provided the transactions are done in accordance with AFS's portfolio management and trading policies and procedures.



ITEM 12: BROKERAGE PRACTICES

Broker-Dealer/Custodian

AFS requests that clients' direct advisor to place accounts transaction through TD Ameritrade. TD Ameritrade is a registered broker-dealer, member SIPC, as the qualified custodian. AFS is independently owned and operated, and unaffiliated with TD Ameritrade. TD Ameritrade will hold client assets in a brokerage account, and buy and sell securities when AFS instructs them to. By requesting clients to use TD Ameritrade, AFS believes we may be able to more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

Selection of Broker-Dealer/Custodian

AFS seeks to recommend a Broker-Dealer/Custodian who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. AFS considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, other fees, etc.)
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us

TD Ameritrade Institutional



AFS participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), a member of FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. AFS receives some benefits from TD Ameritrade through its participation in the program.

Assets in the Envestnet Custody Solutions Program are usually held at TD Ameritrade. This firm has been selected due to its competitive commission rates as well as services which it provides to independent investment advisors. Our clients may benefit from lower commission charges than are available to this company's own retail clients. AFS does not have the authority to change the commission rates which are set by "load" mutual fund companies.

AFS generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which AFS arranges transactions.

As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons, can create a potential conflict of interest and may indirectly influence our firm's choice of the Recommended Custodians for custody and brokerage services.

Although you are not required to use a custodian recommended by AFS, your choices may impact our ability to serve you. By directing us to use a particular broker or dealer, you should understand that we do not have authority to negotiate commissions, best execution may not be achieved, and a disparity in commission charges may exist between the commissions charged to other clients of AFS or the broker.

In addition to investment research, the Recommended Custodians may also make available software and other technology that provide the following:

- Access to client account data (such as duplicate trade confirmations and account statements)
- Research related products and tools
- Trade execution
- Block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts)
- Pricing and other market data
- Payment of our fees from our clients' accounts
- Back-office functions, recordkeeping, and client reporting

The Recommended Custodians may also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

The Recommended Custodians may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The Recommended Custodians may also discount or waive fees for some of these services or pay all or a part of a third party's fees. They may also provide us with other benefits, such as occasional business entertainment of our personnel.

ITEM 13: REVIEW OF ACCOUNTS

Reviews: Asset Management Services

Your account is individually reviewed by trained staff on a regular basis. Additionally, your account is reviewed when there is a change in your needs or financial goals. AFS Management Team is responsible for reviewing all accounts on a continuous basis. AFS reviews all Asset Management accounts regularly to ensure that the investments reflect your goals and risk tolerance.

Such reviews include, but are not necessarily limited to, suitability, performance, asset allocation, change in investment objectives and risk tolerance, concentration and prohibited/restricted products. In addition, AFS provides regular investment advice or investment supervisory services, review client portfolios and communicate with clients for conformity with the respective portfolios, investment objectives, changes in a client's financial situation, account performance and any reasonable restrictions to be imposed as to the specific assets or types of securities to be included or excluded from client portfolios.

While we review all accounts, we do not direct the day-to-day investment decisions of the independent investment managers which you or we may select. You will receive periodic statements from the custodian, which will include all transactions in their account(s), the current investments owned, the management fee deducted, the total value of investments, and the changes from the previous statement period.

Upon request to AFS, we will provide you with comprehensive performance updates, which includes a breakdown of AFS' fees. **We recommend that you verify and reconcile any portfolio information which we send to you with the account statements which you receive from the third-party designated custodian.**



Independent Investment Management Services

We monitor the performance reports of all independent investment managers in order to ensure that they continue to meet their performance benchmarks as well as the investment goals, objectives and risk tolerance of our clients. You will receive trade confirmations as well as monthly and/or quarterly statements from the custodian, which will include all transactions, the current investments owned, and the total value of investments.

Upon request, we will provide you with periodic comprehensive performance updates. You will receive trade confirmations, account statements, and portfolio appraisal reports as provided by the various third-party money managers and/or their custodians.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Cash Payments for Client Solicitations

Although we do not compensate individuals as “Solicitors” (as defined in SEC Rule 206(4)-3), Mr. Pierre Ngo, the owner of AFS, also owns a business interest in Hubble, LLC, the owner of the business building where AFS is located. The owners of Abregov Parrino, LLP, a CPA firm, also own a business interest in Hubble, LLC and reside at the same location. Abregov Parrino, LLP and AFS occasionally refer clients to each other when appropriate. Referred clients are not obligated to engage Abregov Parrino, LLP or AFS at any time. AFS does not compensate Abregov Parrino, LLP for any referral of its clients nor does Abregov Parrino, LLP compensate AFS for any clients which it refers.



OTHER COMPENSATION

TD Ameritrade's Institutional Customer Program

As disclosed above, AFS participates in TD Ameritrade's institutional customer program and your Advisor may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give you, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount):

Receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the clients of AFS; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to the accounts of our clients); the ability to have advisory fees deducted directly from our clients' accounts; access to an electronic communications network for our client's order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AFS by third-party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by AFS' related persons. Some of the products and services made available by TD Ameritrade through the program may benefit AFS but may not benefit you. These products or services may assist AFS in managing and administering the account of our clients, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by AFS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of its fiduciary duties to clients, AFS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AFS or its related persons in and of itself creates a potential conflict of interest and has the potential to indirectly influence our choice of TD Ameritrade for custody and brokerage services.

In addition, where appropriate, AFS may recommend products of various companies, whereby AFS may receive any of the following goods or services: research materials, account record keeping, online financial information, publications, data processing, and receipt of duplicate client confirmations. The benefits received through participation in these programs do not depend upon the number of transactions directed to these firms.

Companies may, from time to time, grant incentive awards to our President based upon his recommendation/introduction of investment and insurance products, as well as commissions from investments by the clients of AFS in variable products. Our investment advice to you will be based upon your specific needs. In such instances, however, our receipt of these goods and services may be deemed to affect AFS's judgment in recommending products to you. Persons related to AFS, or employees of AFS, may have positions in, or buy or sell securities identical to those recommended to you for your personal accounts. Client purchases and sales are usually, but not always, completed concurrently with purchases and sales by the foregoing persons and entities.

ITEM 15: CUSTODY

You will receive statements from the broker-dealer, insurance companies or other qualified custodian, which holds and maintains your investment assets at least once every quarter. **We urge you to review such statements carefully and to compare such official custodial records to the account statements which we may provide to you.** Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. **AFS does not maintain custody of client funds or securities.**

While clients maintain their funds at a qualified custodian independent of AFS, we do directly deduct management fees from your accounts. The SEC considers this action to be a form of custody. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodian statements to verify the accuracy of the calculation among other things. Clients should contact us directly if they believe there may be an error in their statement. It is ultimately the independent custodian that is responsible for the safe keeping and reporting of all transactions within the client's account during the reporting period.

ITEM 16: INVESTMENT DISCRETION

While you always have the right to select the securities to be managed in consultation with us, you may also give us written authority to determine the securities to be bought or sold and the amount of the securities to be bought or sold on your behalf without first obtaining your specific consent to any such particular transaction. Any limits on this discretionary authority must be included in a written authority statement. You may change or amend these limitations at any time by giving written notice of the changes to AFS.



We provide our Investment Advisory Services on a discretionary and non-discretionary basis, which means that we will place trades in a client's account, as we deem appropriate based on the information previously gathered with or without contacting the client prior to each trade to obtain the client's permission.

Under these circumstances, our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell;
- Determine when transactions are made; and
- Determine the Independent Managers to be hired or fired.

ITEM 17: VOTING CLIENT SECURITIES

As a matter of firm policy and practice, AFS does not vote proxies on behalf of its advisory clients. Therefore, although our firm may provide advisory services relative to client investment assets, clients maintain exclusive responsibility for: 1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and 2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client, along with copies of all proxies and shareholder communications relating to the client's investment assets. AFS may, however, provide advice to clients regarding your voting.

ITEM 18: FINANCIAL INFORMATION

We do not solicit fees of more than \$1,200.00/per client six (6) months or more in advance. We have no financial commitment which impairs our ability to meet contractual and fiduciary commitments to clients as they become due. We have not been the subject of a bankruptcy proceeding.

Privacy

PRIVACY STATEMENT

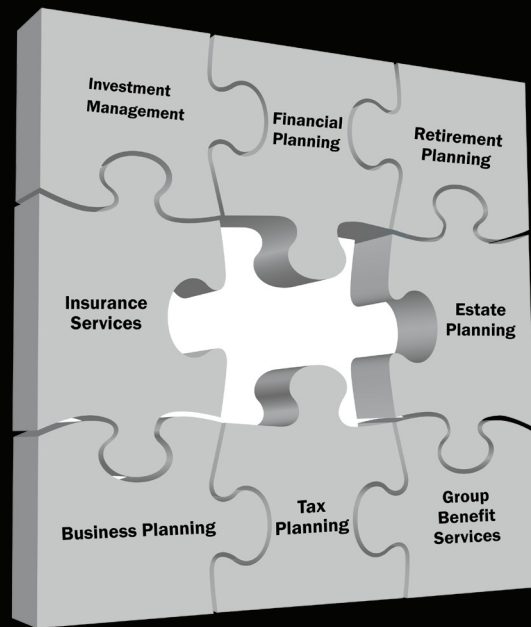
AFS is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by AFS. We have never disclosed client's personal information to non-affiliated third parties, except as permitted by law, and do not anticipate doing so in the future. If we were to anticipate such a change in company policy, we would be prohibited under the law from doing so without advising you first. As you know, we use the health and financial information that you provide to us to help you meet your personal financial goals while guarding against any real or perceived infringements of your rights of privacy. Our policy with respect to personal information about you is listed below.

- We limit employee and agent access to your personal information to only those who have a legitimate business or professional reason for knowing, and only to non-affiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our company can discuss your financial status with your accountant or lawyer).
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- The categories of non-public personal information that we collect from our clients depends upon the scope of your engagement. It will include information about your personal finances, information about your health (to the extent that it is necessary for the planning process or insurance purposes), information about transactions between you and third parties, and information from consumer reporting agencies.
- For non-affiliated third parties who require access to your personal information, including financial services companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators may review our records when and as permitted by law. As permitted by law, we may disclose your personal information to brokerage companies, insurance companies, banks and financial institutions, and other non-affiliated third parties in order to effect, administer, or enforce a transaction that you request or authorize.
- We never provide your personally identifiable information to mailing list vendors or solicitors.
- Personal identifiable information about you will be maintained during the time you are our client and for the time thereafter that such records are required to be maintained by federal and state securities laws, consistent with CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, we will destroy all such information.

You have the right to request that we not share any information with anyone else except when required by law. If you desire that we refrain from sharing such information, you must notify us in writing to our business address or via e-mail to Pierre@afs1.com.

AdvancedFinancialStrategies

INTEGRATED WEALTH PLANNING & MANAGEMENT



This Brochure Supplement provides information about Pierre N. Ngo, Jonathon Nguyen, and Patricia Vasquez. Please contact Pierre N. Ngo at (949) 502-5333 or pierre@afs1.com if you have questions about the content of this supplement. Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Pierre N. Ngo, CFP®, AEP®, ATA® (Born in 1966), President

Pierre is the founder of Advanced Financial Strategies, Inc. Mr. Ngo is primarily responsible for the firm's overall practice and all aspects of AFS Investment Management and Research. His multidisciplinary approach and understanding of interrelationships among components that build a client's net worth help him develop strategies that add value to the client's overall financial position.

He works in a team approach with the client's attorneys, accountants, and other professional advisors to design and implement plans that will best meet the client's needs and objectives. Mr. Ngo works with the high net worth client, using sophisticated financial planning, estate planning, tax planning, and business planning strategies.

Pierre Ngo is the President and Chief Compliance Officer of AFS, and is a CERTIFIED FINANCIAL PLANNER™ practitioner, Certified Fund Specialist, an Enrolled Agent with the IRS, an Accredited Tax Advisor, and an Accredited Estate Planner. Mr. Ngo is a graduate of the College for Financial Planning and as well as the University of California, Irvine Extension. He received his Personal Financial Planner designation from the University of California, Irvine Extension and he received his CFP® certification from Certified Financial Planner Board of Standards Inc. He obtained his Certified Fund Specialist certification from the Institute of Business & Finance, his Accredited Tax Advisor certification from the Accreditation Council for Accountancy & Taxation, Inc., and his Accredited Estate Planner accreditation from the National Association of Estate Planners & Councils. Mr. Ngo is a licensed Insurance and Real Estate Broker, and, as an individual, is a registered representative with Capital Synergy Partners a FINRA member broker. Mr. Ngo is also a member of the Financial Planning Association, the National Association of Estate Planners & Councils, and the Orange Coast Estate Planning Council. Mr. Ngo was the sole proprietor of Advanced Financial Strategies until January 1997, when he incorporated AFS. Mr. Ngo has held his current positions with AFS since January 1997.

Jonathon V. Nguyen, CFP®, AEP®, CMFC® (Born in 1968), Financial Planner and Investment Adviser Representative

Jonathon is responsible for preparing comprehensive financial and estate plans for clients and works on all aspects of AFS Investment Management and Research. He also monitors plans for revision and modifications. He works in a team approach with the client's attorneys, accountants, and other professional advisors to design and implement plans that will best meet the client's needs and objectives.

Jonathon V. Nguyen is a CERTIFIED FINANCIAL PLANNER™ practitioner, an Accredited Estate Planner, a CHARTERED MUTUAL FUND COUNSELORSM designee, and an Insurance and Real Estate Licensee. Mr. Nguyen is a graduate of the College for Financial Planning and California State University, Long Beach with a Bachelor's degree in Finance. Mr. Nguyen received his CFP® certification from Certified Financial Planner Board of Standards Inc., received his CHARTERED MUTUAL FUND COUNSELORSM designation from the College for Financial Planning, he received his Personal Financial Planner certification from the University of California, Irvine Extension, and his Accredited Estate Planner accreditation from the National Association of Estate Planners & Councils. He is also a member of the Orange Coast Estate Planning Council, and the National Association of Estate Planners & Councils. AFS has employed Mr. Nguyen since 1993.

Patricia Vasquez, CFP®, CMFC® (Born in 1975), Financial Planner and Investment Adviser Representative

Patricia is responsible for preparing comprehensive financial and estate plans for clients and works on all aspects of AFS Investment Management and Research. She also monitors plans for revision and modifications. She works in a team approach with the client's attorneys, accountants, and other professional advisors to design and implement plans that will best meet the client's needs and objectives.

Patricia Vasquez is a CERTIFIED FINANCIAL PLANNER™ practitioner, a CHARTERED MUTUAL FUND COUNSELORSM designee, and an Insurance Licensee. She is a graduate of the College for Financial Planning as well as the University of California, Irvine Extension. Mrs. Vasquez received her CFP® certification from Certified Financial Planner Board of Standards Inc., received her Personal Financial Planner certification from the University of California, Irvine Extension. She received her CHARTERED MUTUAL FUND COUNSELORSM designation from the College for Financial Planning. She is also a member of the Financial Planning Association. AFS has employed Mrs. Vasquez since 1994.

Disciplinary Information

No employee of Advanced Financial Strategies, Inc. has been convicted, pled guilty or nolo contendere to any felony, a misdemeanor that involved investments or an investment-related business.

No employee of Advanced Financial Strategies is the named subject of a pending criminal proceeding or has been found to have been in a violation of an investment related business, nor has been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, them from engaging in any investment related business.

There is no disciplinary information to report.

Other Business Activity

Pierre N. Ngo is a registered representative with Capital Synergy Partners, a FINRA registered broker-dealer.

Jonathon Nguyen and Patricia Vasquez are not involved in any other investment related business activities.

Additional Compensation

Pierre Ngo is licensed to sell general securities through Capital Synergy Partners, and may receive compensation from Capital Synergy Partners to implement transactions in variable life annuities or other security products.

Pierre Ngo (as an individual) and AFS (doing business as Aspen Financial & Insurance Services) are both licensed by the California Department of Insurance to sell the insurance products of any insurance company licensed by the State of California. Mr. Ngo would be compensated for purchases of any insurance product implemented through AFS.

Pierre Ngo (as an individual) and AFS are licensed by the California Department of Real Estate as real estate brokers. In this capacity, Mr. Ngo and AFS can assist clients in arranging for SBA loans, other business financing needs, for which Mr. Ngo and/or AFS would receive customary industry compensation.

Jonathon Nguyen and Patricia Vasquez do not receive additional compensation.

Supervision

Pierre N. Ngo remains responsible for the supervision of each employee of the firm. This supervision extends to reviewing and monitoring their work and discussing the strategy of each the department. Jonathon Nguyen and Patricia Vasquez report directly to Pierre Ngo. Questions related to the activities of any employee may be directed to Mr. Ngo at (949) 502-5333.

For an explanation and qualification required of the above designations, please visit the following links:

CFP®: <http://www.cfp.net>

AEP®: <http://www.naepc.org/designations/estate-planners>

EA: <https://www.irs.gov/tax-professionals/enrolled-agents/enrolled-agent-information>

ATA®: <http://www.acatcredentials.org/acatcredentials/ata>

CMFC®: <http://www.cffpdesignations.com/Designation/CMFC>

Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning

subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

- Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Enrolled Agent (EA): Enrolled Agents are enrolled by the Internal Revenue Service and authorized to use the EA designation. An EA is a federally-authorized tax practitioner who has technical expertise in the field of taxation and who is empowered by the U.S. Department of the Treasury to represent taxpayers before all administrative levels of the IRS for audits, collections, and appeals.

EA enrollment requirements:

- Successful completion of the three-part IRS Special Enrollment Examination (SEE), or completion of five years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations.
- Successfully pass the background check conducted by the IRS.
- The IRS requires all EA’s to complete 72 hours of continued professional education, reported every three years, to maintain their Enrolled Agent status.
- Enrolled agents are required to abide by the provisions of the Department of Treasury’s Circular 230, which provides the regulations governing the practice of Enrolled Agents before the IRS.

- The Accredited Estate Planner® (AEP®) designation is a graduate level specialization in estate planning, obtained in addition to already recognized professional credentials within the various disciplines of estate planning. It is awarded by the National Association of Estate Planners and Councils (NAEPC) to recognize estate planning professionals who meet stringent requirements of experience, knowledge, education, professional reputation, and character.

The applicant must be presently and significantly engaged in “estate planning activities” as an attorney, an accountant, an insurance professional and financial planner, or a trust officer.

A minimum of five (5) years of experience engaged in estate planning and estate planning activities is required in one or more of the professional disciplines described above.

To be exempt from the education requirements described below, an applicant must have a minimum of fifteen (15) years of experience engaged in estate planning and estate planning activities in one or more of the professional disciplines described above.

The National Association of Estate Planners & Councils (NAEPC) has designated The American College, Bryn Mawr, Pennsylvania, as the primary provider of the education courses required to earn the AEP® designation. Applicants for the AEP® designation must successfully complete two graduate courses through the Richard D. Irwin Graduate School of The American College.

ATA Accreditation

The Accredited Tax Advisory (ATA) is a leading national tax credential for practitioners who handle sophisticated tax planning issues, including planning for owners of closely held businesses, planning for the highly compensated, choosing qualified retirement plans and performing estate tax planning. Their expertise covers tax returns for individuals, business entities, fiduciaries, trusts and estates, as well as tax planning, tax consulting and ethics.

You must have three years of experience in tax preparation, compliance, tax planning and consulting, of which 40% must be in tax planning and consulting. A tax-season (January through April) is considered one year. Application fees are fully refundable if your application is not approved.

To become an ATA you must take and pass a 100 question exam. You must score 70% or better to earn the credential.

The College for Financial Planning® awards the CHARTERED MUTUAL FUND COUNSELORSM AND CMFC® designation to students who:

- successfully complete the program;
- pass the final examination; and
- comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning’s review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Continued use of the CMFC® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CMFC® designation by:

- completing 16 hours of continuing education;
- reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct;