

KEMP Financial Management, LLC



ADV II A - Update Dated October 1, 2017

This Brochure provides information about the qualifications and business practices of Kemp Financial Management. If you have any questions about the contents of this Brochure, please contact us at the number below.

2286 N. State College Blvd. Fullerton, CA 92831
(714)257-0800 www.kempfm.com

Item 2 – Material Changes

This Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting Lissa Clarke at (714)257-0800 or Lclarke@kempfm.com. Our Brochure is also available on our web site www.kempfm.com, also free of charge.

Additional information about Robert Kemp is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Robert Kemp who are registered, or are required to be registered, as investment adviser representatives of Kemp Financial Management.

Robert Kemp is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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.

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Item 4 – Advisory Business

At Kemp Financial Management, LLC (Kemp Financial), our mission is to provide our clients with greater investment success through the application of proven investment strategies that ultimately lead to financial independence, security, and peace of mind. Our intent is to understand our client's current financial situation and to provide investment solutions that are consistent with their stated goals and risk tolerance. Kemp Financial is owned by Robert Kemp and has been in business since 1988.

Unlike most financial services firms, we provide complete, personalized advice so that our clients can make solid, well-informed decisions about their investments and retirement plans. Our strategies are based on the concepts of the Nobel Prize-winning Modern Portfolio Theory, which identifies the most efficient combination of assets to establish a growth or income portfolio that preserves those assets with a risk level appropriate for each individual investor. Once the asset mix has been determined, Kemp Financial recommends one or more third party money managers to help implement the allocation strategy. The firm does not manage assets on a discretionary basis. While Kemp Financials goal is to help our clients achieve investment success, we offer no guarantee that our advice will result in profit or protection from loss.

All of our clients come to the firm through introductions from existing clients or from relationships with other professional like Certified Public Accountants, Estate Planning Attorneys and Insurance Professional. When Kemp Financial Management receives introductions from other financial professionals, there is no compensation or "referral fee" paid to those professionals and they do not participate and share in any revenue from Kemp Financial Management, LLC.

Once a prospective client is introduced to Kemp Financial Management, an introductory meeting is established so the prospective client can learn more about the individuals and strategies used by Kemp Financial Management. In addition, the prospective client will share information about their personal goals and objectives along with a summary financial statement. It is the intent of Kemp Financial Management and the potential client to determine whether or not it makes sense to work together in the future.

In the event both parties determine there is a reason to work together, a second meeting is established to become very specific with the prospective client about the short and long-term goals as well as time horizon and tolerance for risk. Copies are made of existing brokerage accounts, mutual fund statements, bank statements, insurance policies, retirement accounts, tax returns, trust documents and wills to determine the financial

strength of each of the potential clients. In addition, a brief education is provided about the investment strategies used by Kemp Financial Management.

A third meeting is set, during which an Investment Policy Statement is created which outlines the clients goals and objectives, reviews the existing holdings, and establishes an implementation strategy used to bring the clients financial resources in alignment with their goals and objectives.

Kemp Financial concentrates on the asset class allocation and provides continuous investment supervision of client assets based on individual client needs. The selected third party money managers are responsible for the selection of individual securities. In some cases, clients may determine to hold some of their existing holdings due to tax consequences and the holdings will be used as part of the asset allocation model. All clients are welcome to call the office any time during normal business hours. It is the responsibility of each client to keep Kemp Financial informed of his or her financial situation to the extent that changes in that situation may affect the most prudent course of investment action.

The details of how a specific client's account will be managed are set forth in the client's investment advisory agreement and other account opening documentation, as may be amended from time to time. In general, the accounts are managed in accordance with the client's individual needs, risk tolerance, objectives and reasonable investment restrictions by purchasing and/or selling securities.

Certain third party managers offer advisory services under which Kemp Financial assists the client in selecting: 1) asset allocation classes; 2) an investment strategy or a model portfolio consisting of mutual funds and/or variable annuities; or 3) particular mutual funds and/or variable annuities. These managers may provide Kemp Financial with software to assist in developing a client profile or in selecting or creating a model portfolio. The client will typically sign an advisory agreement directly with the third party manager. As set forth in the program advisory agreement, the third party manager or Kemp Financial may, on a discretionary or non-discretionary basis, rebalance the funds, annuities, asset allocations, or model portfolios selected by the client on a predetermined schedule or actively manage a portfolio of mutual funds and/or variable annuities in accordance with the client's stated general strategy or objectives. Any rebalancing or reallocation may involve capital gains and/or losses for each transaction, and in non-tax deferred accounts may result in additional taxes and/or tax reporting. The client or the third party manager in accordance with the provisions of these agreements may terminate this advisory relationship.

Kemp Financial may recommend/require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA-

registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Kemp Financial may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Kemp Financial is independently owned and operated and not affiliated with Schwab.

Schwab provides Kemp Financial with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon Kemp Financial committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Kemp Financial's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Kemp Financial other products and services that benefit Kemp Financial but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Kemp Financial's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Kemp Financial managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Kemp Financial's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

Schwab Institutional also offers other services intended to help Kemp Financial manage and further develop its business enterprise. These services may include; (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Kemp Financial. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all of a part of the fees if a third-party providing these services to Kemp

Financial. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Kemp Financial personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, Kemp Financial may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create potential conflict of interest.

Generally accounts are held at Charles Schwab, Pershing, Resources Trust, SEI Trust, or other Broker-Dealers or Trust Companies as disclosed in the management agreement. For additional disclosure information, please see the ADV Part II's for the third party money managers utilized by Kemp Financial Management, LLC. The ADV Part II for the third party money managers is provided to all clients prior to the execution of any trades. Kemp Financial Management has adopted and adheres to the Anti-Money Laundering Policy.

Selection, Recommendation, Due Diligence and Performance Appraisal of Third Party Investment Advisory Services

Adviser has entered into agreements with various Third Party investment advisers ("Third Party Advisory Service") for the provision of certain investment advisory services.

Adviser's Advisory Representatives will provide personal advisory services to their Clients in the selection of a particular Third Party Advisory Service. Factors considered in the selection of a Third Party Advisory Service include but may not be limited to: i) each individual Advisory Representative's preference for a particular Third Party Advisory Service; ii) the Client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the size of Client assets available for investment. In addition, Adviser's Advisory Representatives receive compensation from these investment managers for referring Clients--and because such compensation may differ depending on the individual agreement with each Third Party Advisory Service--Advisory Representatives may have an incentive to recommend a particular Third Party Advisory Service over other investment managers with which Adviser may have less favorable compensation arrangements or, alternative investment advisory programs--including programs offered through their own separately registered investment advisory entities.

All securities transactions will be decided upon and executed by the Third Party Advisory Service.

In order to assist in the selection of a Third Party Advisory Service, the Advisory Representative will typically gather information from the Client about the Client's financial

situation, investment objectives, and reasonable restrictions the Client wants imposed on the management of the account.

Ongoing Performance Monitoring and Appraisal of Selected Third Party Advisory Services

Adviser's Advisory Representatives will periodically review reports provided to the Client. An Advisory Representative will contact the Client periodically, as agreed upon with each Client, to review the Client's financial situation and objectives, communicate information to the Third Party Advisory Service managing the account as warranted, and to assist the Client in understanding and evaluating the services provided by the Third Party Advisory Service. Clients will be expected to notify their Advisory Representative of any changes in their financial situation, investment objectives, or account restrictions. Clients may also directly contact the Third Party Advisory Service managing the account or sponsoring the program.

Additional Information Concerning Third Party Advisory Services

A complete description of the programs and services available through a Third Party Advisory Service will be provided to Clients upon receipt and review of the applicable Third Party Advisory Service's Form ADV and/or Brochure; investment advisory contracts; and account opening documents.

Part II of Form ADV, the program wrap brochure (if applicable) or other applicable disclosure documents of the Third Party Advisory Service and of the portfolio manager(s) will be provided to all Clients interested in these programs and in particular portfolio managers.

Please Note: When investing in mutual funds and variable annuities, Clients are strongly encouraged to review the applicable prospectus. Mutual funds and variable annuities may impose certain restrictions on the frequency, timing and dollar amount of transactions and may impose penalty fees based upon short-term trading patterns. Such restrictions may impact the services provided by a Third Party Advisory Service.

The list of approved unaffiliated Third Party Advisory Services is under periodic review and revision and is therefore subject to change. Clients should consult directly with their Adviser's Advisory Representative to confirm the most current list. In certain circumstances, certain Third Party Advisory Services may not be available to all Clients.

A complete description of the programs and services available through Third Party Advisory Services will be provided to Clients upon receipt and review of the applicable

Third Party Advisory Service's Form ADV and/or Brochure; investment advisory contracts; and account opening documents.

Part II of Form ADV, the program wrap brochure (if applicable) or other applicable disclosure documents of the Third Party Advisory Service and of the portfolio manager(s) will be provided to all Clients interested in these programs and in particular portfolio managers.

Third Party Advisory Service Compensation

Compensation generally, consists of four elements: i) management and advisory fees shared by the Third Party Advisory Services, Adviser, and its Advisory Representatives; ii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iii) custody fees; and iv) an additional Administrative fee paid to SAS for its supervisory services.

Such compensation, in turn, is recaptured through one of the following pricing structures:

Wrap Pricing

Under these programs, the inclusive “wrap” fee covers account management, brokerage, clearance, custody and administrative services. In other programs, the Client may be charged separately for such services. The wrap fees may be higher or lower than if such services were obtained separately. Generally, wrap programs are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity.

Please note that the same or similar services may be available elsewhere at a lower cost to the Client.

Unbundled Pricing

Other Third Party Advisory Services may be provided on an “unbundled” fee basis. In such cases, the Third Party Advisory Service's fee may be separate from the advisory fee charged by the Advisory Representative and Adviser. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third Party Advisory Services. Further, compensation to the Advisory Representatives may be in the form of commissions earned in the underlying securities portfolios, which are managed by the Third Party Advisory Service. In addition to Adviser's share of the Third Party Advisory Fee, it may charge an additional administrative fee for its Administrative and supervisory services.

Clients will receive an account statement from the Third Party Advisory Service at least quarterly, which includes the amount of any fees paid directly to such Third Party Advisory

Service, or any other adviser selected by the Client to manage the account. These fees are in addition to the internal advisory fees and expenses paid by the mutual funds or variable annuity companies to their separate investment advisers. In addition, variable annuity companies generally impose mortality charges on such accounts, of approximately 1.25% annually.

Adviser's Administrative fees will either be bundled into the wrap fee or disclosed as a separate charge in unbundled programs.

The amount of total fees, the services provided, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the Third Party Investment Advisory Service's Form ADV Part II; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager or managers selected; or, iv) the Third Party Advisory Service's account opening documents.

Adviser will not be paid fees through a direct contract with the Client, but will receive a portion of the Client's advisory fee as a solicitor in accordance with Rule 206(4)-3 promulgated by the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940.

Please note that the same or similar services may be available elsewhere at a lower cost to the Client.

Engaging a Third Party Investment Adviser

The Client will sign an advisory agreement or contract directly with the sponsor/adviser of the Third Party Advisory Service selected. The advisory relationship may be terminated by the Client or by third parties to the contract in accordance with the provisions of the program contract. The Client will typically receive a pro rata refund of any prepaid advisory fees. Additionally, a Client may terminate an advisory contract without being assessed any fees or expenses within (5) business days of its signing.

There is no guarantee that the advisory services offered will result in the Client's goals and objectives being met. Nor is there any guarantee of profit or protection from loss. The fees and expenses paid by the Client in connection with Third Party Advisory Service may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that any particular fee arrangement, including wrap fee arrangements; timing services or portfolio management services of any nature will provide better returns than other investment strategies. Use of "wrap fee" programs may result in the payment of fees by Clients in

excess of the combined total of separate Advisory fees and brokerage commissions paid by transaction.

Solicitor's Disclosure Statement

Each advisory Client will also receive a Solicitor's Disclosure Statement, pursuant to SEC Rule 206(4)-3. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between Adviser and the Third Party Advisory Services, the terms of the solicitation agreement between Adviser and the Third Party Advisory Services, including the amount of compensation to be paid to Adviser for the solicitation; and the additional cost to the Client if any, as a result of the solicitation agreement.

Consulting Services

On occasion, Kemp Financial Management, LLC has served on an Advisory Board for third party management start up companies, assisting them with the establishment of procedures and policies. Kemp Financial Management has received compensation in the form of cash and restricted stock for services rendered on the Advisory Board. Kemp Financial Management has reviewed any potential conflict of interests prior to accepting the role of acting as an advisory board member. If Kemp Financial Management determines any conflicts of interest, it would be disclosed to any client that might be impacted by that relationship in the form of a disclosure statement signed by the client. In addition, the principals and associated persons of the applicant are licensed as Insurance Agents (1%), Securities Brokers (1%), California Real Estate licensees (0%), and California Real Estate Brokers (0%) with the time spent represented by the percentage indicated next to each activity.

Item 5 – Fees and Compensation

Kemp Financial shares in the fees charged by these managers as disclosed in their respective management agreements, prospectus, and forms ADV Part II. Fees may be negotiated but generally range from .5% to 2%, depending on the size of the account and the services covered. The amount of the fees, the services provided, the payment structure, termination provisions, and other aspects of each program are detailed in the third party manager's form ADV Part II. Some Third Party Managers will charge additional administrative charges above and beyond fees charged by Kemp Financial Management and custodial trading costs. Any additional costs are fully disclosed to the client and approved by the client in the Third Party Manager management agreement. In some cases, Kemp Financial Management, LLC may recommend the use of mutual funds in which the Third Party Manager receives a portion of the fees charged by the mutual fund. These

charges and related fees are fully disclosed in the mutual fund prospectus and Third Party Manager management agreement. Under no circumstances does Kemp Financial Management share in the additional administrative fees charged by the Third Party Managers.

On occasion, Kemp Financial Management, LLC will assist clients with the management of their retirement plans offered through their employers. Kemp Financial Management, LLC will assist the client with the investment selection best suited to match their investment objectives and time horizon. Kemp Financial Management, LLC will make sure all contributions being placed into the retirement plan are consistent with the clients selected allocation. In addition, Kemp Financial Management, LLC will make sure the account is rebalanced to the model on a regular basis. All retirement accounts are reviewed with the clients during their regularly scheduled update meetings. The management fees charged for this additional service are billed to the client's taxable accounts and the fees are blended into the existing client's fee schedule to be applied to the aggregate account size for fee calculation purposes.

Management fees are most often payable quarterly in advance, some quarterly in arrears, based on the total market value of the account on the last business day of the preceding calendar quarter. For new accounts quarterly fees are prorated and paid at the time the management activity begins. Clients receive a refund for advanced management fees prorated to the date of termination upon closing of an account.

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

Kemp Financial Management, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

In general, the minimum portfolio account size is \$450,000. However, many of the recommended third party managers have smaller minimums and on occasion a smaller account will be accepted.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Kemp Financial closely follows the asset allocation strategies developed by Nobel Prize Winners, Harry Markowitz and Bill Sharpe. In general, these strategies demand a long-term perspective of a minimum 5 to 10 years. The analysis of asset classes includes the

development of average historical rates of return, standard deviation and correlation coefficients between the asset classes. An asset mix is developed that fits the client's respective risk tolerance with data generally derived from DFA Returns Program.

For the Third-Party Advisory Referral Program, Adviser's recommendations for third-party advisers and programs will be based on research reports and analysis of performance provided by third-party advisers and publicly available research and reports regarding investment strategies and programs generally offered by a variety of third-party investment advisers. Advisory Representatives may utilize computer software programs provided by such third-party advisers in providing this advice to Clients. Most transactions and recommendations are long-term in nature, however from time to time short-term trades may be placed on behalf of clients if the need arises. As a general rule, Kemp Financial does not advocate or use margin on behalf of their clients. However, margin may be used to satisfy short-term need strictly based upon the client's needs. Margin can and will only be used at the express authorization of the client

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Kemp Financial Management, LLC or the integrity of Kemp Financial Management, LLC's management. Kemp Financial Management, LLC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The applicant is not involved in other activities, but principals and associated persons of the applicant are licensed as Insurance Agents (1%), Securities Brokers (1%), California Real Estate Brokers (0%), California Real Estate licensees (0%), and Business Consultants (2%). The other activities by the principal's account for less than 10% of the participant's time as indicated.

The Adviser is committed to safeguarding the confidential information of its Clients. The Adviser holds all personal information provided to the Firm in the strictest confidence. These records include all personal information that the Adviser collects from its Clients or receives from other firms in connection with any of the financial services it provides. The Adviser also requires other firms with whom it deals to restrict the use of Clients information. The Adviser's Privacy Policy is available upon Client's engagement of the Adviser's services or by prior request of the Clients.

Additional Compensation

Rule 203-1 under the Investment Advisers Act of 1940 requires that if an investment adviser or related person could be eligible to receive incentive awards such as SagePoint Financial, Inc. may offer, you must disclose this in a statement to the effect that the receipt or potential to receive non-cash incentives may affect your judgment in selecting products sold to your clients.

Kemp Financial or affiliates may refer clients to Loring Ward Advisor Services, Inc. for advisory services. Kemp Financial may recommend clients purchase one or more of the SA Funds, which are managed and administered by LWAS, Inc., and/or engage LWAS, Inc., as a portfolio administrator. Kemp Financial may also recommend clients purchase one or more of the DFA Funds, which are administered by Loring Ward. From time to time, Kemp Financial may also offer other funds that will fit the client's needs. Kemp Financial has a conflict of interest in making these recommendations, because Kemp Financial may receive reimbursement of certain marketing expenses from LWI Financial Inc. However, Kemp Financial is subject to and intends to comply fully with standards of fiduciary duty that require that it act in the best interests of a client when making investment recommendations. A copy of LWAS ADV Part II is provided to all clients that are referred to LWAS. If you would like to receive a copy of LWAS ADV Part II contact LWAS at (800) 366-7266 or write to LWAS address of record.

As an associate of the applicant, in their role as registered representatives, they may receive 12b-1 as a result of placing clients in mutual funds. Full disclosure will be made prior to such a sale.

For Advisory Referral Program accounts, Adviser is paid by a participation in the advisory fee paid by Clients to third-party advisers to whom Adviser refers Client accounts. Adviser has entered into contracts with various third-party advisers performing portfolio management. Full disclosure, either Form ADV Part II or its equivalent, will be given to the Client at the time of solicitation in accordance with Rule 206 (4)-3.

Item 11 – Code of Ethics

KFM has adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. A copy of the Code of Ethics will be provided to any Client or prospective client upon request to their IAR.

The principals and advisory associates of Kemp Financial may own an interest in, and buy or sell for themselves securities, which Kemp Financial may recommend that its clients purchase or sell. All such investments are made in the open market and in amounts that are insignificant to the market. Such transactions have little or no effect on client's performance and are, therefore, not a conflict of interest.

Item 12 – Brokerage Practices

Kemp Financial Management does not receive or use any soft dollar benefits. Neither applicant, its associated persons, nor unaffiliated investment advisory or financial planning entities with which Applicant may have agreements, directly suggest brokers to Clients, unless done in conjunction with an investment management program(s). The client is always free to utilize their broker of choice in implementing the advice or financial plan.

Item 13 – Review of Accounts

There are two levels of review for our client portfolios. The third party managers review the accounts on a quarterly basis to determine whether or not the investment portfolios are allocated appropriately to the model selected by the client and the advisor. In the event the portfolio is out of alignment to the model, a report would be generated for the advisor to review the appropriateness of "rebalancing" the account to the model.

In addition, client accounts are reviewed by the financial advisor and client on a schedule determined by the needs of the client. The schedules vary by the need of the client on a 3-4 month or bi-annual basis, but the meetings are never less than annual, unless waived by the client.

The advisors at Kemp Financial Management, LLC are available in between update meetings to meet with the clients in the event of a change in their financial situation. All meetings include discussions on client objectives, needs and financial situations. All client meetings are held on irregular intervals throughout the calendar year.

Some custodians provide confirmation statements upon the execution of all trades. All custodians provide monthly or quarterly statements reflecting any trading activity for the period, along with an accounting of inflow and outflows of cash and securities. In addition, the monthly or quarterly statements include a monthly and annual progress report and account valuation for the beginning and closing of the month or quarter.

The third party managers provide each client with a detailed quarterly report, including valuations on the last business day of the calendar quarter. Each quarterly report provides

a detailed performance calculation along with an invoice calculating the appropriate management fees for the quarter. In the event the client maintains taxable accounts, the third party managers provide comprehensive cost basis information to supplement any tax forms sent to the clients from their respective custodian at the conclusion of each calendar year.

Item 14 – *Client Referrals and Other Compensation*

Kemp Financial Management does not receive any compensation from non-clients for providing advisory services to clients. No compensations is given or received to any persons who provide client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Kemp Financial Management, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Kemp Financial Management, LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Kemp Financial Management, LLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Kemp Financial Management, LLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Kemp Financial Management, LLC in writing.

Item 17 – Voting *Client* Securities

Client understands and agrees that Client retains the right to vote all proxies, which are solicited for securities held in the client accounts. Advisory Representatives on behalf of the Adviser are hereby expressly precluded from voting proxies for securities held in the

account and will not be required to take any action or render advice with respect to the voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Kemp Financial Management, LLC's financial condition. Kemp Financial Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

KEMP Financial Management, LLC



ADV II B - Update Dated October 1, 2017

Due to new amendments to the Securities Exchange Commission Brochure Rule 204-3, of the Investment Advisers Act of 1940("New Amendments"), investment advisers are required to update and then distribute to their existing clients certain disclosure documents.

This Brochure Supplement provides information about Robert Kemp that supplements the Kemp Financial ADV Part 2 Brochure. Please contact Lissa Clarke at 714-257-0800 or by e-mail at Lclarke@kempfm.com if you did not receive Kemp Financial Management LLC's Brochure or if you have any questions about the contents of this supplement. This document can also be located on our website at www.kempfm.com. Please keep this copy for your records.

Additional information about Robert Kemp is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2- Educational Background and Business Experience

Robert J. Kemp born 1965

Post-Secondary Education:

California State University at Fullerton, Fullerton, CA B.S. Political Science, 1987

Business Background:

09/96 to Present Financial Adviser, Kemp Financial Management, LLC, Fullerton, CA

11/98 to 09/17 Branch Manager and Reg. Representative, SagePoint Financial Advisors, Inc.
Phoenix, AZ

02/93 to 11/98 Branch Manager and Reg. Representative, United Pacific Securities, Inc.
Carlsbad, CA

10/91 to 09/96 Financial Adviser, Kemp Cooke Redmond, Fullerton, CA

09/88 to 02/93 Registered Representative, Titan Value Equities, Tustin, CA

06/88 to 09/88 Registered Representative, Value Equities Corp, San Diego, CA

08/85 to 10/91 Financial Adviser, Kemp Cooke, Inc. Anaheim, CA

07/88 to Present Series 7 General Securities Representative

05/91 to Present Series 24 General Securities Principal

02/94 to Present Series 63 Uniform Securities Agent State Law Exam

12/02 to Present Series 66 Uniform Combined State Law Exam

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

I participate in quarterly board meetings as a trustee and board member for the Marshall B. Ketchum University. This is a board made up of 21 entrepreneurs, reviewing the financial condition of the school and providing guidance to the President of the School. I also serve as a member of the Finance Committee providing guidance to the board relating to financial matters of the University. No compensation is received for being a trustee and board member for the Marshall B. Ketchum University.

I am a member of the Finance Committee for Hacienda Golf Club. The Committee provides guidance to the Controller and General Manager relating to financial matters for Hacienda Golf Club. Meetings are held once a month. No compensation is received for being a member of the Finance Committee.

I am licensed as a California Life and Casualty insurance agent. I review insurance needs for our clients as part of our advisory business.

I am currently licensed as a California Real Estate Broker known as Kemp Realty. I currently buy and sell Real Estate for my own personal benefit. All client real estate transactions are handled

by licensed real estate agents and brokers non-affiliated with Kemp Financial Management, LLC. No compensation is received or shared with any other real estate agents or brokers.

Item 5- Additional Compensation

Robert J. Kemp does not receive any additional compensation from any outside business activities, mutual funds, publicly traded companies, custodians, banks, CPA's, Attorney's, referrals or professional organizations.

Item 6 – Supervision

Robert J. Kemp is the Chief Compliance Officer at Kemp Financial Management, LLC and has the responsibility of supervision over all of the investment advisory activities within the firm.

Item 7- Requirements for State-Registered Advisers

Robert J. Kemp is registered in the State of California. Many of the firm's clients reside outside the State of California. Prior to working with clients in States outside of California, the firm reviews the registration policy of each State. Each State has its own requirements and when necessary, Mr. Kemp will register himself as an investment advisor in that State. As a general rule, most States have a "De Minimis" requirement, which allows for 5 or fewer clients to reside in that State and/or not having an office within that State to avoid registration. The rules and regulations of each State are reviewed regularly to ensure proper registration as needed.

Disclosures

Certain Third Party Advisory Service Programs ("Advisory Service Programs") that I may offer you, provide me with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Further, if I highlight the products or services of certain Advisory Service Programs during seminars or presentations that I compose, I may be entitled to advertising or marketing expense reimbursement.

My custodian may offer me software and technology that assist in the management and administration of your account and a mix of services to manage and further develop my business.

As outlined above, the benefits that I receive may provide me with an incentive to put my interests before your best interests. While my security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives I have to sell certain securities and provide certain advisory services and are encouraged to ask me about any conflict presented.

Item 2- Educational Background and Business Experience

Melissa L. Clarke born 1964

Business Background:

04/11 to Present	Financial Adviser, Kemp Financial Management, LLC, Fullerton, CA
05/11 to 09/17	Registered Representative, SagePoint Financial Advisors, Inc. Phoenix, AZ
02/10 to 01/11	Office Manager, Trinity Financial Partners, Ontario, CA
10/10 to 01/11	Registered Representative, Financial Network, El Segundo, CA
01/98 to 02/10	Client Services Officer and Chief Compliance Officer, Strategic Capital Management Inc., Rancho Cucamonga, CA
04/09 to 03/10	Registered Representative, Titan Securities, Dallas, TX
03/06 to 04/09	Branch Manager & Registered Representative, Private Consulting Group, Inc., Portland, OR
02/03 to 02/06	Branch Manager & Registered Representative, NFP Securities, Inc., Claremont, CA
08/00 to 01/03	Registered Representative, M Holdings Securities, Inc., Portland, OR
06/99 to 07/00	Non-Registered Personnel, Mutual Service Corp, Claremont, CA
08/02 to Present	Series 7 General Securities Representative
04/04 to Present	Series 24 General Securities Principal
11/00 to Present	Series 63 Uniform Securities Agent State Law Exam

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

Licensed as a California Life and Casualty insurance agent. I review insurance needs for our clients as part of our advisory business.

I am a California Notary Public. I perform notarial acts for clients during business hours at no charge.

Item 5- Additional Compensation

Melissa L. Clarke does not receive any additional compensation from any outside business activities, mutual funds, publicly traded companies, custodians, banks, CPA's, Attorney's, referrals or professional organizations.

Item 6 – Supervision

Melissa L. Clarke is supervised by the Chief Compliance Officer, Robert J. Kemp, at Kemp Financial Management, LLC and can be reached at 714-257-0800. Mr. Kemp has the responsibility of supervision over all of the investment advisory activities within the firm. Supervision is conducted through the monitoring of e-mail and other correspondence, pre-review of marketing or sales material, frequent meetings, and other management-level discussions.

Item 7- Requirements for State-Registered Advisers

Kemp Financial Management, LLC (KFM) is registered in the State of California and Texas. Many of KFM's clients reside outside the States of California and Texas. Prior to working with clients in States outside of California and Texas, the firm reviews the registration policy of each State. Each State has its own requirements and when necessary, KFM will register the company as an investment advisor in that State. As a general rule, most States have a "De Minimis" requirement, which allows for 5 or fewer clients to reside in that State and/or not having an office within that State to avoid registration. The rules and regulations of each State are reviewed regularly to ensure proper registration as needed.

Disclosures

Certain Third Party Advisory Service Programs ("Advisory Service Programs") that I may offer you, provide me with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Further, if I highlight the products or services of certain Advisory Service Programs during seminars or presentations that I compose, I may be entitled to advertising or marketing expense reimbursement.

My custodian may offer me software and technology that assist in the management and administration of your account and a mix of services to manage and further develop my business.

As outlined above, the benefits that I receive may provide me with an incentive to put my interests before your best interests. While my security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives I have to sell certain securities and provide certain advisory services and are encouraged to ask me about any conflict presented.