

## **APS WEALTH MANAGEMENT, LLC**

*a Registered Investment Adviser*

152 New York Avenue  
Congers, NY 10920

(516) 710-4093

This brochure provides information about the qualifications and business practices of APS Wealth Management, LLC (hereinafter “APS Wealth Management” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, APS Wealth Management is required to discuss any material changes that have been made to the brochure since the last annual amendment. There are no such material changes to disclose.

**Item 3. Table of Contents**

|   |    |
|---|----|
| Item 2. Material Changes .....  | 2  |
| Item 3. Table of Contents .....   | 3  |
| Item 4. Advisory Business .....   | 4  |
| Item 5. Fees and Compensation .....                                       | 6  |
| Item 6. Performance-Based Fees and Side-by-Side Management .....          | 8  |
| Item 7. Types of Clients .....  | 8  |
| Item 8. Methods of Analysis, Investment Strategies and Risk of Loss ..... | 8  |
| Item 9. Disciplinary Information .....                                    | 10 |
| Item 10. Other Financial Industry Activities and Affiliations .....       | 10 |
| Item 11. Code of Ethics .....   | 10 |
| Item 12. Brokerage Practices .....  | 11 |
| Item 13. Review of Accounts .....   | 15 |
| Item 14. Client Referrals and Other Compensation .....                    | 16 |
| Item 15. Custody .....  | 16 |
| Item 16. Investment Discretion .....                                      | 16 |
| Item 17. Voting Client Securities .....                                   | 17 |
| Item 18. Financial Information .....                                      | 17 |

## Item 4. Advisory Business

APS Wealth Management offers investment management services to clients. Prior to APS Wealth Management rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with APS Wealth Management setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

APS Wealth Management filed for registration as an investment adviser in August 2018 and is owned by Michael Abrams. As of the date of this filing, APS Wealth Management does not have any assets under management; however, the Firm reasonably expects to be eligible for registration with the SEC within 120 days of approval as an investment adviser.

While this brochure generally describes the business of APS Wealth Management, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on APS Wealth Management’s behalf and is subject to the Firm’s supervision or control.

### Investment Management Services

APS Wealth Management manages client investment portfolios on a discretionary or non-discretionary basis. APS Wealth Management primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, and independent investment managers (“Independent Managers”) in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage APS Wealth Management to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, APS Wealth Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

APS Wealth Management tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. APS Wealth Management consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify APS Wealth Management 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 APS Wealth Management 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.

### **Use of Independent Managers**

---

As mentioned above, APS Wealth Management may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

APS Wealth Management evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. APS Wealth Management also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

APS Wealth Management continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. APS Wealth Management seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Sponsor and Manager of Wrap Program**

---

APS Wealth Management provides substantially all investment management services as the sponsor and manager of the APS Wealth Management Wrap Program (the "Wrap Program"), a wrap fee program (i.e., an arrangement where certain brokerage commissions and transaction costs are absorbed by the Firm). Accounts managed through the Wrap Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the Wrap Program may pay a higher or lower aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the Wrap Program is available in APS Wealth Management's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV (the "Wrap Brochure").

## Item 5. Fees and Compensation

APS Wealth Management offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies in accordance with the following fee schedule:

| <u>PORTFOLIO VALUE</u>    | <u>BASE FEE</u> |
|---------------------------|-----------------|
| Up to \$500,000           | 1.50%           |
| \$500,001 - \$1,000,000   | 1.25%           |
| \$1,000,001 - \$2,000,000 | 1.00%           |
| \$2,000,001 - \$3,000,000 | 0.90%           |
| \$3,000,001 - \$4,000,000 | 0.70%           |
| Above \$4,000,000         | Negotiable      |

Alternatively, in certain circumstances the Firm may negotiate a fixed fee for the investment management services. The annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by APS Wealth Management on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), APS Wealth Management may negotiate a fee rate that differs from the range set forth above.

For investment management fees associated with participation in the Wrap Program, please see the Wrap Brochure.

### Fee Discretion

---

APS Wealth Management may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

**Additional Fees and Expenses**

---

In addition to the advisory fees paid to APS Wealth Management, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

**Direct Fee Debit**

---

Clients generally provide APS Wealth Management and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to APS Wealth Management. Alternatively, clients may elect to have APS Wealth Management send a separate invoice for direct payment.

**Account Additions and Withdrawals**

---

Clients may make additions to and withdrawals from their account at any time, subject to APS Wealth Management’s right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to APS Wealth Management, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. APS Wealth Management 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, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charges) and/or tax ramifications.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

APS Wealth Management does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

APS Wealth Management offers services to individuals, pension and profit sharing plans, trusts, estates, corporations and business entities.

### **Minimum Account Requirements**

---

APS Wealth Management does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, APS Wealth Management may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

---

APS Wealth Management constructs investment portfolios using the combination of a customized Investment Policy Statement coupled with a top-down investment approach. Through a carefully designed Investment Policy Statement, individual clients and qualified retirement plan portfolios are constructed using a comprehensive analysis of the targeted goals and investment objectives. APS Wealth Management manages risk based investment models using Independent Managers, mutual funds and ETFs to capture asset class exposure to achieve an optimal blend of risk and return dedicated to the specific objectives of five separate risk models: Capital Preservation, Income with Moderate Growth, Moderate Growth, Growth and Aggressive Growth of capital. Certain portfolios may require a broader spectrum of security selection and tax management to achieve unique investment mandates and are custom designed using individual equities, individual bonds, ETFs, options and alternative investments.

APS Wealth Management's risk based portfolio models utilize regular asset rebalancing to maintain the targeted asset allocation within the risk based objectives.



APS Wealth Management implements its investment decisions through a committee based process focused on the application of fiduciary standards. An eleven point fiduciary scoring system under the fi360 fiduciary system is implemented on a quarterly basis and overlayed with the asset allocation modelling strategy outlined in the Firm's capital markets assumptions. The APS Wealth Management investment committee consists of an internal advisory group of personnel that meets quarterly to review the overall investment selection within the risk based model portfolios. Tactical selection is implemented across all model portfolios when a security is designated for replacement.

## **Risk of Loss**

---

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of APS Wealth Management's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that APS Wealth Management will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares

or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, APS Wealth Management may select certain Independent Managers to manage a portion of its clients' assets. In these situations, APS Wealth Management continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, APS Wealth Management generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

### **Item 9. Disciplinary Information**

APS Wealth Management has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

### **Item 10. Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### **Licensed Insurance Agents**

---

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that APS Wealth Management recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Item 11. Code of Ethics**

APS Wealth Management has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. APS Wealth Management's Code of Ethics contains written policies reasonably designed to prevent certain unlawful

practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of APS Wealth Management's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact APS Wealth Management to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

---

APS Wealth Management recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") for investment management accounts. The final decision to custody assets with Schwab is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as

either the plan sponsor or IRA accountholder. APS Wealth Management is independently owned and operated and not affiliated with Schwab. Schwab provides APS Wealth Management with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which APS Wealth Management considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Schwab has also agreed to reimburse clients for exit fees associated with moving accounts to Schwab. The reimbursement is only available up to a certain amount for all of the Firm's clients over a twelve month period. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by APS Wealth Management's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where APS Wealth Management determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. APS Wealth Management seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist APS Wealth Management in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because APS Wealth Management does not have to produce or pay for the products or services.

APS Wealth Management periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

---

APS Wealth Management receives without cost from Schwab administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow APS Wealth Management to better monitor client accounts maintained at Schwab and otherwise conduct its business. APS Wealth Management receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is

not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The Support benefits APS Wealth Management, but not its clients directly. Clients should be aware that APS Wealth Management’s receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm’s choice of broker-dealer over another that does not furnish similar software, systems support or services Schwab. In fulfilling its duties to its clients, APS Wealth Management endeavors at all times to put the interests of its clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm’s duty to seek best execution.

Specifically, APS Wealth Management receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and services.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor’s clients’ assets are maintained in accounts at Schwab Advisor Services. Schwab’s services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients’ accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of APS Wealth Management by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist APS Wealth Management in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm’s fees from its clients’ accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of

the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to APS Wealth Management other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, APS Wealth Management endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

### **Brokerage for Client Referrals**

---

APS Wealth Management does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

---

The client may direct APS Wealth Management in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by APS Wealth Management (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, APS Wealth Management may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

---

Transactions for each client generally will be effected independently, unless APS Wealth Management decides to purchase or sell the same securities for several clients at approximately the same time. APS Wealth Management may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and

allocated among APS Wealth Management's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which APS Wealth Management's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. APS Wealth Management does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

---

APS Wealth Management monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives and the Chief Investment Officer. All investment advisory clients are encouraged to discuss their needs, goals and objectives with APS Wealth Management and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

---

**Account Statements and Reports**

---

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from APS Wealth Management and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from APS Wealth Management or an outside service provider.

**Item 14. Client Referrals and Other Compensation**

---

**Client Referrals**

---

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

**Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize APS Wealth Management and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to APS Wealth Management.

In addition, as discussed in Item 13, APS Wealth Management may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from APS Wealth Management.

**Item 16. Investment Discretion**

APS Wealth Management may be given the authority to exercise discretion on behalf of clients. APS Wealth Management is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. APS Wealth Management is given this authority through a power-of-attorney included in the agreement between APS Wealth



Management and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). APS Wealth Management takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker-dealer that executes trades (in the case of a prime brokerage relationship); and
- The Independent Managers to be hired or fired.

### **Item 17. Voting Client Securities**

APS Wealth Management generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

### **Item 18. Financial Information**

APS Wealth Management is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.