

**FORM ADV PART 2A
DISCLOSURE BROCHURE**

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This brochure provides information about the qualifications and business practices of Shum Financial Group, Inc. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 510-748-7462. 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 Shum Financial Group, Inc. (CRD #285426) is available on the SEC's website at www.adviserinfo.sec.gov

**SEPTEMBER 19TH,
2019**

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The following updates have occurred since the last filing on March 20, 2019:

- Item 4 has been updated to include the assets under management.
 - Item 12 and 14 have been amended to include Charles Schwab as a custodian.
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Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

Item 3: Table of Contents

Item 1: Cover Page

Item 2: Material Changes	ii
Annual Update.....	ii
Material Changes since the Last Update.....	ii
Full Brochure Available	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business	1
Firm Description	1
Types of Advisory Services	1
Client Tailored Services and Client Imposed Restrictions.....	5
Wrap Fee Programs	5
Client Assets under Management.....	5
Item 5: Fees and Compensation.....	5
Method of Compensation and Fee Schedule.....	5
Client Payment of Fees.....	9
Additional Client Fees Charged	9
Prepayment of Client Fees.....	10
External Compensation for the Sale of Securities to Clients	10
Item 6: Performance-Based Fees and Side-by-Side Management.....	10
Sharing of Capital Gains.....	10
Item 7: Types of Clients	10
Description	10
Account Minimums	10
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Methods of Analysis.....	11
Investment Strategy.....	11
Security Specific Material Risks	11
Item 9: Disciplinary Information	13
Criminal or Civil Actions.....	13
Administrative Enforcement Proceedings	13

Self-Regulatory Organization Enforcement Proceedings	13
Item 10: Other Financial Industry Activities and Affiliations	13
Broker-Dealer or Representative Registration	13
Neither SFG nor its employees are registered with a broker dealer	13
Futures or Commodity Registration.....	13
Material Relationships Maintained by this Advisory Business and Conflicts of Interest.....	13
Recommendations or Selections of Other Investment Advisors and Conflicts of Interest.....	14
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Code of Ethics Description.....	14
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest.	15
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest	15
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.....	15
Item 12: Brokerage Practices.....	16
Factors Used to Select Broker-Dealers for Client Transactions	16
Aggregating Securities Transactions for Client Accounts.....	16
Item 13: Review of Accounts.....	17
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved	17
Review of Client Accounts on Non-Periodic Basis	17
Content of Client Provided Reports and Frequency.....	17
Item 14: Client Referrals and Other Compensation.....	17
Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest.....	17
Advisory Firm Payments for Client Referrals	18
Item 15: Custody	18
Account Statements	18
Item 16: Investment Discretion.....	18
Discretionary Authority for Trading	18
Item 17: Voting Client Securities.....	19
Proxy Votes.....	19
Item 18: Financial Information.....	19
Balance Sheet.....	19

Financial Conditions Reasonably Likely to Impair Advisory Firm’s Ability to Meet Commitments to Clients.....	19
Bankruptcy Petitions during the Past Ten Years.....	19
Brochure Supplement (Part 2B of Form ADV).....	21
Principal Executive Officer	21
Cliff Wing-Yin Shum, CFP®	21
Item 2 Educational Background and Business Experience	21
Professional Certifications	21
Item 3 Disciplinary Information.....	22
Item 4 Other Business Activities	22
Item 5 Performance Based Fee Description	23
Item 6 Supervision.....	23

Item 4: Advisory Business

Firm Description

Shum Financial Group, Inc. ("SFG") was founded in September 2016 and became registered as an investment adviser in January of 2017. Cliff Shum is 100% owner.

SFG is a fee based investment management firm. Investment advisor representative, Mr. Shum, sells insurance as a sole proprietor. SFG does not act as a custodian of client assets.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement, risk analysis or similar document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through SFG.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. Under CCR Section 260.238(k), SFG, its representatives or any of its employees will disclose to the clients all material conflicts of interest.

Types of Advisory Services

SFG provides investment supervisory services, also known as asset management services through consultations and financial planning services.

ASSET MANAGEMENT

SFG offers discretionary and non-discretionary direct asset management services to advisory clients. SFG will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

Discretionary

When the client provides SFG discretionary authority the client will sign a limited trading authorization or equivalent. SFG will have the authority to execute transactions in the account without seeking client approval on each transaction.

Non-discretionary

When the client elects to use SFG on a non-discretionary basis, SFG will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, SFG will obtain prior client approval on each and every transaction before executing any transactions.

AssetMark Platform

Additionally, SFG offers discretionary asset management services to Clients by selecting the AssetMark Platform. For more information regarding the AssetMark Platform, refer to AssetMark Platform Disclosure Brochure.

Envestnet

SFG offers discretionary direct asset management services to advisory clients utilizing Envestnet's wrap program described in detail in their appendix. The wrap program provides access to the portfolios on the Envestnet platform. SFG will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize SFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

ERISA PLAN SERVICES

SFG provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. SFG may act as either a 3(21) or 3(38) advisor:

Limited Scope ERISA 3(21) Fiduciary. SFG may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor SFG has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using SFG can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. SFG acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund

management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.

- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands SFG's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, SFG is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

SFG may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. SFG has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to SFG on the ERISA Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

3(38) Investment Manager. SFG may also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. SFG would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

1. Fiduciary Services are:

- SFG has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan.
- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the SFG's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the SFG is not providing fiduciary advice as defined by ERISA to the Plan participants. SFG will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

SFG may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between SFG and Client.

1. SFG has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Adviser on the ERISA Agreement.

FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, the client will compensate SFG on an hourly or fixed fee basis described in detail under “Fees and Compensation” section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Estate Planning, Qualified Plans, Retirement Income, Social Security, College Planning, Investments, Taxes, and Insurance. If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor’s recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through SFG. Financial plans will be completed and delivered inside of thirty (30) days.

VARIABLE ANNUITY AND VARIABLE LIFE MANAGEMENT

SFG offers discretionary direct asset management services to advisory clients on their variable annuities and variable life products. SFG will work with individuals to assemble an appropriate portfolio of investment options as provided through the insurance company that services variable annuity investment. SFG will not receive commissions for the sale of annuities. The accounts will be monitored on an annual basis.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

SFG does not sponsor any wrap fee programs. SFG may utilize third party money managers that have wrap fee programs.

Client Assets under Management

As of August 19, 2019, SFG had \$159,488,974 of client assets under management on a discretionary basis and \$0 of client assets under management on a non-discretionary basis.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

SFG bases its fees on a percentage of assets under management, a fixed fee, and on an hourly basis.

ASSET MANAGEMENT

SFG offers discretionary and non-discretionary asset management services to advisory clients. SFG charges an annual investment advisory fee based on the total assets under management as noted in the fee schedule below. SFG’s annual advisory fees are as follows:

Account Value	SFG Annual Fee	Quarterly Fee
\$0.00 - \$500,000	1.00%	0.25%
\$500,001 - \$1,000,000	0.95%	0.2375%
\$1,000,001 - \$2,000,000	0.90%	0.225%
\$2,000,001 - \$3,000,000	0.85%	0.2125%
\$3,000,001 - \$5,000,000	0.80%	0.20%
\$5,000,001 and Over	0.75%	0.1875%

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the previous quarter. If margin is utilized, the fees will be billed based on the gross asset value of the account. Initial fees for partial quarters are pro-rated. Quarterly advisory fees deducted from the clients' account by the custodian will be reflected in a provided fee invoice as fees are withdrawn. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

AssetMark Platform

Accounts on the AssetMark Platform are assessed a total Account Fee. This Account Fee includes SFG's fee detailed in the schedule below.

Fees and compensation for using the AssetMark Platform are provided in more detail in the AssetMark Platform Disclosure Brochure. Discretionary Manager Fee schedules are included in the Client Billing Authorization or the Appendix A to the Client Service Agreement.

The fees applicable to each Account on the AssetMark Platform may include:

- 1) Financial Advisor Fee;
- 2) Platform Fee;
- 3) Investment Manager Fee; and
- 4) Initial Consulting Fees.

Other fees for special services may also be charged. The Client should consider all applicable fees.

SFG's fees for these services will be based on a percentage of assets under management based on the following fee schedule:

Account Value	SFG Annual Fee	Quarterly Fee
\$0.00 - \$1,000,000	0.75%	0.1875%
\$1,000,001 - \$2,000,000	0.70%	0.175%
\$2,000,001 - \$3,000,000	0.65%	0.1625%
\$3,000,001 and Over	0.60%	0.150%

Client fees are payable quarterly, in advance, based on assets under management. Clients may terminate AssetMark accounts at any time and receive a full pro-rata refund of any unearned fees.

Envestnet

The fees charged by SFG are in addition to the fees charged by Envestnet, any other investment advisor, and the custodian.

For clients utilizing the Envestnet platform, fees for SFG will be based on assets under management as follows:

Assets Under Management	Annual Fee	Quarterly Fee (in advance)
Up to \$1,000,000	.75%	.188%
\$1,000,001 to \$2,000,000	.70%	.175%
\$2,000,001 to \$3,000,000	.65%	.1625%
\$3,000,001 and Over	.60%	.150%

The annual Fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance. Envestnet's billing services calculates the fees for Envestnet, SFG, the custody fee, and the manager fee. Monthly prorates are run to capture additional deposits or withdrawals and intra quarter account opening and closings. Fees collected by Envestnet from the client account will be distributed to the appropriate parties for payment. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five business days of signing the Investment Advisory Agreement with no obligation. Clients may terminate advisory services with thirty (30) days written notice. Client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter or month. If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the fee period, SFG shall be entitled to a prorated fee based on the number of days during the fee period services were provided or client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of SFG for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. SFG does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, SFG will disclose this compensation, the services

rendered, and the payer of compensation. SFG will offset the compensation against the fees agreed upon under this Agreement.

FINANCIAL PLANNING and CONSULTING

SFG charges either an hourly fee or a fixed fee for financial planning. Prior to the planning process the client will be provided an estimated plan fee. Pricing will be according to the degree of complexity associated with each client's situation. The services include but are not limited to a thorough review of all applicable topics including Estate Planning, Qualified Plans, Retirement Income, Social Security, College Planning, Investments, Taxes, and Insurance. Client will pay 50% of the estimated fee at time of engagement and the remaining 50% upon completion of the plan. Services are completed and delivered inside of thirty (30) days dependent upon timely client delivery of required documentation. Client may cancel within five (5) business days of signing Agreement for a full refund. If the client cancels after five (5) business days, SFG will charge a pro-rata fee based on any work that has been completed. The client may be entitled to a refund depending on the amount of work that has been completed.

FIXED FEES

Financial planning and consulting services are offered based on a flat fee ranging from \$2,500-\$5,000 depending on complexity associated with each client's situation.

HOURLY FEES

Financial planning and consulting services are offered based on an hourly fee of \$350 per hour.

VARIABLE ANNUITY AND VARIABLE LIFE MANAGEMENT

Fees for portfolios managed by SFG for Variable Annuities and Variable Life are based on a percentage of Assets Under Management as follows:

Account Value	SFG Annual Fee	Quarterly Fee
\$0.00 - \$500,000	1.00%	0.25%
\$500,001 - \$1,000,000	0.95%	0.2375%
\$1,000,001 - \$2,000,000	0.90%	0.225%
\$2,000,001 - \$3,000,000	0.85%	0.2125%
\$3,000,001 - \$5,000,000	0.80%	0.20%
\$5,000,001 and Over	0.75%	0.1875%

SFG fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Quarterly advisory fees will be paid in the following ways:

- a) deducting from client's account

For clients under age of 59 ½

- b) deducted from a client's account held with SFG
- c) payable within 10 days of invoice presentation

Client Payment of Fees

Lower fees for comparable services may be available from other sources. Clients may terminate their account within five business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. Clients will be entitled to a pro rata refund for the days service that was provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

Investment management fees are billed quarterly in advance, meaning we bill you before the three-month period has started. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are due 50% at the time of engagement and 50% upon completion of the plan.

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling, margin interest, and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

SFG, in its sole discretion may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

When utilizing subadvisors such as AssetMark and Envestnet, those subadvisors will charge an additional fee for their services.

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

Investment management fees are billed quarterly in advance. If the client cancels after five (5) days, any unearned fees will be refunded to the client.

Fees for ERISA 3(21) and/or 3(38) services may be billed in advance.

External Compensation for the Sale of Securities to Clients

SFG does not receive any external compensation for the sale of securities to clients.

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

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

SFG does not use a performance-based fee structure because of the conflict of interest.

Performance based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Description

SFG primarily provides investment advice to individuals, high net worth, businesses, and charitable organizations. Client relationships vary in scope and length of service.

Account Minimums

SFG does require an account minimum of \$250,000 to open an account, accounts below the stated minimums may be accepted on an individual basis at the discretion of SFG. Some TPMs may require an account minimum, this will be disclosed in the TPM's Form ADV 2.

The minimum investment required on the AssetMark Platform depends upon the Investment Solution chosen for a Client's account and is generally \$25,000-\$50,000 for Mutual Fund and \$25,000 for ETF Accounts, and from \$50,000 to \$500,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account. These minimums are described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of AssetMark.

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

Methods of Analysis

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns. Security analysis methods will include fundamental analysis.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth.

When creating a financial plan, SFG utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement. The main sources of information include Morningstar, Standard & Poor's, and client documents such as tax returns and insurance policies.

In developing a financial plan for a client, SFG's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the client's specific situation.

The main sources of information include Morningstar, Standard & Poor's, financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options or spreading strategies).

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with SFG:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations 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:* This 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 securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in

good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- *Long-term purchases:* Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically, the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally, there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment’s return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither SFG nor its employees are registered with a broker dealer.

Futures or Commodity Registration

Neither SFG nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

President, Cliff Shum is also a licensed insurance agent and sells insurance products as a sole proprietor. Less than 1% of Mr. Shum's time is spent in his insurance practice. From time to time, he will offer clients products and/or services in this capacity.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation. Clients have the option to purchase these products or services through another insurance agent of their choosing.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

SFG may also utilize the services of a Sub-advisor to manage Clients' investment portfolios. Sub-advisors will maintain the models or investment strategies agreed upon between Sub-advisor and SFG. Sub-advisors execute all trades on behalf of SFG in Client accounts. SFG will be responsible for the overall direct relationship with the Client. SFG retains the authority to terminate the Sub-advisor relationship at SFG's discretion.

In addition to the authority granted to SFG under the Agreement, Client will grant SFG full discretionary authority and authorizes SFG to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to SFG in the Agreement. In addition, at SFG's discretion, SFG may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors.

This practice represents a conflict of interest as SFG may select Sub-advisors who charge a lower fee for their services than other Sub-advisors. This conflict is mitigated by disclosures, procedures, and by the fact that SFG has a fiduciary duty to place the best interest of the Client first and will adhere to their code of ethics.

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

Code of Ethics Description

The employees of SFG have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of SFG employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of SFG. The Code reflects SFG and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

SFG's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of SFG may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

SFG's Code is based on the guiding principle that the interests of the client are the top priority. SFG's officers, directors, advisors, and other employees have a fiduciary duty to the clients and must diligently perform that duty to maintain the trust and confidence of the clients. When a conflict arises, it is SFG's obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

SFG will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

SFG and its employees do not recommend to clients, securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

SFG and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide SFG with copies of their brokerage statements.

The Chief Compliance Officer of SFG is Cliff Shum. He reviews all employee trades quarterly. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

SFG does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide SFG with copies of their brokerage statements.

The Chief Compliance Officer of SFG is Cliff Shum. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees

does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

SFG may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. SFG will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. SFG relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by SFG.

SFG may recommend that Clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc.¹ ("Schwab"), a FINRA² registered broker-dealer and SIPC³ member, to maintain custody of Clients' assets and to effect trades for their accounts. SFG is independently owned and operated and not affiliated with Schwab. SFG has evaluated Schwab and believes that it will provide our Clients with a blend of execution services, commission costs and professionalism that will assist our firm in meeting our fiduciary obligations to Clients.

Schwab provides SFG 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 advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's Clients' assets are maintained in accounts at Charles Schwab & Co. These services are not contingent upon our firm 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 our Client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Charles Schwab & Co. also makes available to SFG other products and services that benefit SFG but may not directly benefit our Clients' accounts. Many of these products and services may be used to service all or some substantial number of our Client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist SFG in managing and administering our Clients' accounts include software and other technology that:

¹ For information regarding Schwab, please refer to their website: <https://www.schwab.com/>.

² FINRA is the largest independent regulator for all securities firms doing business in the United States. For more information, please refer to FINRA's website: <http://www.finra.org/>.

³ For information regarding SIPC, please refer to their website: <http://www.sipc.org/>.

- provide access to Client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
- provide research, pricing and other market data;
- facilitate payment of our fees from Clients' accounts; and
- assist with back-office functions, recordkeeping and Client reporting.

Charles Schwab & Co. also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- 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 SFG. Charles Schwab & Co. 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 our firm. Charles Schwab & Co. may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that Clients custody their assets at Schwab, we 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 we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

SFG reserves the right to decline acceptance of any Client account for which the Client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the Client and/or our ability to service the account. In directing the use of Schwab (or any other broker), it should be understood that SFG will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the Client and those charged to other Clients (who may direct the use of another broker other than Schwab). Clients should note that, while SFG has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not independently seek best execution price capability through other brokers.

SFG may also recommend the use of a particular broker-dealer such as TD Ameritrade Institutional is a Division of TD Ameritrade, Inc., Member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member or may utilize a broker-dealer of the Client's choosing. SFG will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. SFG relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by SFG.

SFG participates in the TD Ameritrade Institutional program. TD Ameritrade is an

independent SEC-registered broker-dealer and is not affiliated with SFG. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. SFG receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14)

- *Directed Brokerage*
SFG does not allow directed brokerage.
- *Best Execution*
Investment advisors who manage or supervise client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.
- *Soft Dollar Arrangements*
The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by an Advisor from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, if an Advisor receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of an Advisor. These benefits include both proprietary research from the broker and other research written by third parties.

SFG does not receive soft dollar benefits.

Aggregating Securities Transactions for Client Accounts

When SFG is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of SFG. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by Investment Advisor Representatives of SFG. Account reviews are performed more frequently when market conditions dictate.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Content of Client Provided Reports and Frequency

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

Investors participating in the AssetMark Platform will receive periodic custodial account statements (not less frequently than quarterly) from their account Custodian.

Under financial planning services, the client will receive a one-time written financial plan.

Item 14: Client Referrals and Other Compensation

Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest

As disclosed under Item 12 above, SFGSFG receives an economic benefit from Schwab in the form of the support products and services it makes available to SFGSFG and other independent investment advisors that have their Clients maintain accounts at Schwab. These products and services, how they benefit SFGSFG, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to SFGSFG of Schwab's products and services is not based on SFGSFG giving particular investment advice, such as buying particular securities for our Clients.

As disclosed under Item 12 above, SFG participates in TD Ameritrade's institutional customer program and SFG may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between SFG's participation in the program and the investment advice it gives to its Clients, although SFG receives economic benefits through its 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 SFG participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client 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 SFG by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by SFG's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit SFG but may not benefit its Client accounts. These products or services may assist SFG in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help SFG manage and further develop its business enterprise. The benefits received by SFG 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, SFG endeavors at all times to put the

interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by SFG or its related persons in and of itself creates a conflict of interest and may indirectly influence the SFG's choice of TD Ameritrade for custody and brokerage services.

With respect to the AssetMark Platform, SFG may, subject to negotiation with AssetMark, receive certain allowances, reimbursements or services from AssetMark in connection with SFG's investment advisory services to its clients, as described below and in further detail in the Appendix 1 of the AssetMark Platform Disclosure Brochure.

Under AssetMark's Business Development Allowance program, SFG may receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses incurred by SFG. Those amounts vary depending on the value of the assets on the AssetMark Platform held by Clients of SFG.

MARKETING SUPPORT FOR SFG

SFG may enter into marketing arrangements with AssetMark whereby SFG receives compensation and/or allowances in amounts based either upon a percentage of the value of new or existing Account assets of Clients referred to AssetMark by SFG, or a flat dollar amount.

DIRECT AND INDIRECT SUPPORT FOR SFG

AssetMark may sponsor annual conferences for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or AssetMark advisory services.

DISCOUNTED FEES FOR FINANCIAL ADVISORS

SFG may receive discounted pricing from AssetMark for practice management and marketing related tools and services.

COMMUNITY INSPIRATION AWARD

AssetMark offers the Community Inspiration Award to honor selected Advisors across the United States who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules governing the program to the Advisor's nominated charity in accordance with guidelines as outlined in the AssetMark Platform Disclosure Brochure.

Advisory Firm Payments for Client Referrals

SFG does not compensate for client referrals.

Item 15: Custody

Account Statements

SFG is deemed to have constructive custody because advisory fees are directly deducted from Client's account by the custodian on behalf of SFG and due to its third party money movement authority.

SFG and its qualified custodian meet the following seven (7) conditions in order to avoid maintaining full custody:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or

the third party's account number at a custodian to which the transfer should be directed.

2. The Client authorizes SFG, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. SFG has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. SFG maintains records showing that the third party is not a related party of SFG or located at the same address as SFG.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by SFG.

Item 16: Investment Discretion

Discretionary Authority for Trading

SFG may require discretionary authority to manage securities accounts on behalf of Clients. SFG has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. If applicable, Client will authorize SFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

SFG allows Client's to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to SFG in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. SFG does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

Item 17: Voting Client Securities

Proxy Votes

SFG does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a

transfer agent.

When assistance on voting proxies is requested, SFG will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

For AssetMark Clients, the client retains the right to vote proxies if the Account is invested in a Mutual Fund, ETF or Variable Annuity Investment Solution. If the Account is invested in an IMA, CMA, or UMA Investment Solution, the Client designates the applicable Discretionary Manager as their agent to vote proxies on securities in the Account. Client acknowledges that as a result of this voting designation they are also designating the Discretionary Manager as their agent to receive proxies, proxy solicitation materials, annual reports provided in connection with proxy solicitations and other materials provided in connection with the above actions relating to the assets in the Account. However, the Client retains the right to vote proxies and may do so by notifying Advisor in writing of the desire to vote future proxies.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because SFG does not serve as a custodian for client funds or securities and SFG does not require prepayment of fees of more than \$1,200 per client and six (6) months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

SFG has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither SFG nor its management has had any bankruptcy petitions in the last ten years.

Item 1 Cover Letter
SUPERVISED PERSON BROCHURE
FORM ADV PART 2B

Cliff Wing-Yin Shum, CFP®

Shum Financial Group, Inc.

Office Address:
1402 Park Street, Suite E
Alameda, CA 94501

Tel: 510-748-7462

Fax: 510-769-4990

cliff@shumfinancial.com

This brochure supplement provides information about Cliff Shum and supplements the Shum Financial Group, Inc.'s brochure. You should have received a copy of that brochure. Please contact Cliff Shum if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Cliff Shum (CRD #2973780) is available on the SEC's website at www.adviserinfo.sec.gov.

**SEPTEMBER
19TH, 2019**

Brochure Supplement (Part 2B of Form ADV)

Supervised Person Brochure

Principal Executive Officer - Cliff Wing-Yin Shum, CFP®

- Year of birth: 1973
-

Item 2 Educational Background and Business Experience

Educational Background:

- University of California - Irvine; Bachelor of Arts in Economics; 1996

Business Experience:

- Shum Financial Group, Inc.; President/Investment Advisor Representative; 12/2016 – Present
 - Cliff Shum, Sole Proprietor; Insurance Agent; 07/2013 - Present
 - Girard Securities, Inc. dba Shum Financial Group; Registered Representative/Investment Advisor Representative; 06/2013 – 04/2017
 - Edward Jones Investments; Registered Representative/Investment Advisor Representative; 01/2007 – 06/2013
 - Financial Network Investment Corp.; Registered Representative/Manager of OSJ Supervision; 04/2005 – 01/2007
 - Edward Jones Investments; Field Supervision Director; 10/2002 – 03/2005
 - American Express Financial Advisors; Registered Representative/Investment Advisor Representative; 11/1997 – 10/2002
 - IDS Life Insurance Company; Insurance Agent; 11/1997 – 10/2002
 - Cellular Express; District Manager; 08/1996 – 11/1997
-

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

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”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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;
- Examination – 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;
- Experience – 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.

Item 3 Disciplinary Information

Criminal or Civil Action: None to report.

Administrative Proceeding: None to report.

Self-Regulatory Proceeding: None to report.

Item 4 Other Business Activities

President, Cliff Shum, is also a licensed insurance agent as a sole proprietor. Less than 1% of Mr. Shum’s time is spent in his insurance practice. From time to time he will offer clients products and/or services in this capacity.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission received. This conflict is mitigated by the fact that Mr. Shum has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent of their choosing.

Item 5 Performance Based Fee Description

Mr. Shum receives additional compensation in his capacity as an insurance agent, but he does not receive any performance based fees.

Item 6 Supervision

Since Mr. Shum is the sole owner of Shum Financial Group, Inc., he is solely responsible for all supervision and formulation and monitoring of investment advice offered to clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual.