

# APS Management Group, Inc.

d/b/a Advanced Portfolio Strategies

d/b/a Advanced Portfolio Strategies Insurance & Financial Services

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of APS Management Group, Inc. dba Advanced Portfolio Strategies and Advanced Portfolio Strategies Insurance & Financial Services. If you have any questions about the contents of this brochure, please contact us at (310) 776-6549 or by email at: [info@advancedportfolios.com](mailto:info@advancedportfolios.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about APS Management Group, Inc. dba Advanced Portfolio Strategies and Advanced Portfolio Strategies Insurance & Financial Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). APS Management Group, Inc. dba Advanced Portfolio Strategies and Advanced Portfolio Strategies Insurance & Financial Services 's CRD number is: 284697.*

3625 Del Amo Blvd.,  
Suite 190  
Torrance, CA 90503  
(310) 776-6549  
[info@advancedportfolios.com](mailto:info@advancedportfolios.com)  
[drbennett@advancedportfolios.com](mailto:drbennett@advancedportfolios.com)

*APS Management Group, Inc. dba Advanced Portfolio Strategies and Advanced Portfolio Strategies Insurance & Financial Services is a registered investment adviser. Registration does not imply a certain level of skill or training.*

Version Date: 10/09/2024

## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of APS Management Group, Inc. on 03/14/2024 are described below. Material changes relate to APS Management Group, Inc.'s policies, practices or conflicts of interests only.

- The Firm has updated its Other Business Activity. (Item 10.C)
- The Firm has entered into a relationship with UPTIQ, an unaffiliated internet-base lending platform. (Item 4)
- The firm has updated its Phone no. (Cover Page)

## Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

APS Management Group, Inc. dba Advanced Portfolio Strategies and Advanced Portfolio Strategies Insurance & Financial Services (hereinafter “AMGI”) is a Corporation organized in the state of California. The principal owners are Daniel Roy Bennett, Glen Alan Michel and Daniel Mason Hart.

The firm was formed in 2014 and became licensed as an investment adviser in 2016. AMGI is also a licensed insurance agency.

### B. Types of Advisory Services

#### *Portfolio Management Services*

AMGI offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. AMGI creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

AMGI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AMGI will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

AMGI may also direct clients to third-party investment advisers. Before selecting other advisers for clients, AMGI will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where AMGI is recommending the adviser to clients.

AMGI seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AMGI’s economic, investment or other financial interests. To meet its fiduciary obligations, AMGI attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AMGI’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its

clients to avoid favoring one client over another over time. It is AMGI's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

AMGI may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, AMGI will always ensure those other advisers are properly licensed or registered as an investment adviser. AMGI then makes investments with a third-party investment adviser by referring the client to the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third-party adviser on behalf of AMGI's client. AMGI may also allocate among one or more private equity funds or private equity fund advisers. AMGI will not review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

AMGI has entered into a relationship with UPTIQ, an unaffiliated internet-base lending platform providing a large network of lenders who can assist AMGI's clients with a variety of different types of personal and business loans (i.e., mortgage, home equity, auto, commercial, working capital, etc.). UPTIQ's platform seeks to match the client with those lenders who can best fulfill the client's borrowing needs. Once matched with a lender, UPTIQ's platform serves to help facilitate the loan application and fulfillment process. UPTIQ is compensated only by the lender. Please Note: No portion of any loan proceeds will be knowingly accepted by AMGI for investment purposes. No Obligation: No client is under any obligation whatsoever to utilize UPTIQ's services. There can be no assurance that the lending terms obtained via the UPTIQ platform will be more favorable than those available from non-platform lenders. The client remains free to consider/evaluate/utilize other lenders and platforms, and, to the extent reasonably requested, the AMGI shall remain available to help assist the client with such evaluation process. Recourse: It shall remain the client's exclusive obligation to repay the loan. The lender shall have recourse against the client in the event that the client fails to meet repayment obligations, including, depending upon the type of loan, recourse to the client's personal or business property, or investment accounts. Licensing/Registration: Neither UPTIQ, nor AMGI, serves as a lender. Neither UPTIQ, nor AMGI, is registered or licensed as a lender or lending broker with any state or federal regulatory agency or authority. AMGI does not provide any services on behalf of UPTIQ. Acknowledgment: In the event that a client desires to utilize the UPTIQ platform, the client will receive a separate Acknowledgement from AMGI for review and execution.

### ***Pension Consulting Services***

AMGI offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

## ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

## ***Services Limited to Specific Types of Investments***

AMGI generally limits its investment advice to mutual funds, real estate, fixed income securities, insurance products including annuities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities, venture capital funds and private placements. AMGI may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

AMGI will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by AMGI on behalf of the client. AMGI may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AMGI from properly servicing the client account, or if the restrictions would require AMGI to deviate from its standard suite of services, AMGI reserves the right to end the relationship.

AMGI will segment various types of advisory services and planning strategies (i.e. retirement, estate planning) that will be determined based upon thorough fact-finding and needs based analysis.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. AMGI does not participate in any wrap fee programs.

## E. Assets Under Management

AMGI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 112,768,941	\$ 14,976,381	December 2023

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management & Selection of Other Advisers Fees*

Total Assets Under Management	Annual Fees
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - and up	1.00%

Total Assets Under Management	Annual Fees
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	0.75%
\$2,000,001 - \$3,000,000	0.50%
\$3,000,001 - \$4,000,000	0.25%
\$4,000,001 and up	0.15%

AMGI typically charges around 1.00% annually for management fees. AMGI may charge up to 1.50% in certain circumstances. AMGI may also utilize a blended rate for clients that intend to increase assets in the future. The actual fee charged will be specified in the investment advisory agreements signed by the client.

AMGI bills monthly in advance and uses the balance at the end of the prior month for purposes of determining the market value of the assets upon which the advisory fee is based.



*AMGI may engage in the selection of third-party money managers but does not have any such arrangements in place at this time. Any advisory fees shared will not exceed 3.00% annually or any other limits imposed by applicable regulatory agencies.*

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of AMGI's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

### ***Pension Consulting Services Fees***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - and up	1.00%

AMGI uses the balance at the end of the prior month for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the pension consulting agreement. Clients may terminate the agreement without penalty for a full refund of AMGI's fees within five business days of signing the pension consulting agreement. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice.

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$1,000 and \$50,000.

#### **Hourly Fees**

The negotiated hourly fee for these services is between \$100 and \$500.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the financial planning agreement. Clients may terminate the agreement without penalty for a full refund of AMGI's fees within five business days of signing the financial planning agreement. Thereafter, clients may terminate the financial planning agreement generally upon written notice.

## *Educational Seminars/Workshops*

AMGI provides periodic educational seminars and workshops to clients and the general public.

### **B. Payment of Fees**

#### *Payment of Portfolio Management & Selection of Other Advisers Fees*

Asset-based portfolio management fees are either withdrawn directly from the client's accounts with client's written authorization or billed directly to the client payable by check or wire; clients may select the method in which they are billed. Fees are paid monthly in advance.

#### *Payment of Pension Consulting Fees*

Asset-based pension consulting fees are either withdrawn directly from the client's accounts with client's written authorization or billed directly to the client payable by check or wire; clients may select the method in which they are billed. Fees are paid monthly in advance.

#### *Payment of Financial Planning Fees*

Financial planning fees are paid via check and wire.

Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

Hourly financial planning fees are paid 100% in arrears upon completion.

#### *Payment of Educational Seminar/Workshop Fees*

Educational seminars and workshops are offered for a fee between \$15-\$20 per session, payable in advance at the door and are non-refundable.

### **C. Client Responsibility For Third Party Fees**

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

## **D. Prepayment of Fees**

AMGI collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 360.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither AMGI nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

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

## **Item 7: Types of Clients**

AMGI generally provides advisory services to the following types of clients:

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

There is no account minimum for any of AMGI's services.

## **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

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

#### *Methods of Analysis*

AMGI's methods of analysis include Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

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

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

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

### *Investment Strategies*

AMGI uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models,

the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

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

### *Investment Strategies*

AMGI's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

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

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** AMGI's selection process cannot ensure that money managers will perform as desired and AMGI will have no control over the day-to-day operations of any of its selected money managers. AMGI would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

AMGI's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities-** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither AMGI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither AMGI nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

APS Management Group, Inc. dba Advanced Portfolio Strategies and Advanced Portfolio Strategies Insurance & Financial Services (AMGI - this advisory firm) is also a licensed insurance agency and Daniel Roy Bennett and Glen Alan Michel are licensed insurance agents with the company. From time to time, AMGI, Mr. Bennett and Mr. Michel will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. AMGI always acts in the best interest of the client, including the sale of



commissionable products to advisory clients. Advisory clients are in no way required to utilize the services of AMGI or any representative for insurance services or products.

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Daniel Roy Bennett as Treasurer of Santa Monica Palisades Lodge #307, involves meticulous bookkeeping and management of lodge bank accounts. This Outside business Activity involves non-profit fraternal order which prioritizes providing benefits to our members. He dedicates 10 hours monthly outside trading hours to fulfill these responsibilities and derives 1% of total yearly compensation from this position.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

AMGI may direct clients to third-party investment advisers to manage all or a portion of the client's assets. AMGI will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between AMGI and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that AMGI has an incentive to direct clients to the third-party investment advisers that provide AMGI with a larger fee split. AMGI will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. AMGI will ensure that all recommended advisers are licensed or notice filed in the states in which AMGI is recommending them to clients.

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

#### **A. Code of Ethics**

AMGI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AMGI's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

AMGI does not recommend that clients buy or sell any security in which a related person to AMGI or AMGI has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of AMGI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AMGI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AMGI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of AMGI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AMGI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, AMGI will never engage in trading that operates to the client's disadvantage if representatives of AMGI buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on AMGI's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and AMGI may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in AMGI's research efforts. AMGI will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

AMGI recommends Charles Schwab & Co., Inc. Advisor Services, PCS Retirement, Newport Retirement Services, and Interactive Brokers LLC (CRD# 36418).

### ***1. Research and Other Soft-Dollar Benefits***

AMGI may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). AMGI may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and AMGI does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. AMGI benefits by not having to produce or pay for the research, products or services, and AMGI will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that AMGI's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### ***2. Brokerage for Client Referrals***

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

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

AMGI may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to AMGI to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If AMGI buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, AMGI would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. AMGI would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with AMGI's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for AMGI's advisory services provided on an ongoing basis are reviewed at least quarterly by Daniel R Bennett, President, or Glen A Michel, Co-President, with regard to clients' respective investment policies and risk tolerance levels. All accounts at AMGI are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Daniel R Bennett, President, or Glen A Michel, Co-President. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

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

With respect to financial plans, AMGI's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of AMGI's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. AMGI will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

## **Item 14: Client Referrals and Other Compensation**

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

AMGI may receive compensation from the selected third-party advisers via a fee split.

Charles Schwab & Co., Inc. Advisor Services provides AMGI with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are

typically not available to Charles Schwab & Co., Inc. Advisor Services 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., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes 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 AMGI client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services 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 Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to AMGI other products and services that benefit AMGI but may not benefit its clients' accounts. These benefits may include national, regional or AMGI specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of AMGI by Charles Schwab & Co., Inc. Advisor Services 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 AMGI 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, if applicable), provide research, pricing information and other market data, facilitate payment of AMGI's fees from its clients' accounts (if applicable), 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 AMGI's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to AMGI other services intended to help AMGI 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, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to AMGI by independent third parties. Charles Schwab & Co., Inc. Advisor Services 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 AMGI. AMGI is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

AMGI may, via written arrangement, retain third parties to act as solicitors for AMGI's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. AMGI will ensure each solicitor is properly registered in all appropriate jurisdictions.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, AMGI will be deemed to have limited custody of client's assets. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

AMGI provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AMGI generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, AMGI's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to AMGI. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority.

### **Item 17: Voting Client Securities (Proxy Voting)**

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

### **Item 18: Financial Information**

#### **A. Balance Sheet**

AMGI neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

## **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither AMGI nor its management has any financial condition that is likely to reasonably impair AMGI's ability to meet contractual commitments to clients.

## **C. Bankruptcy Petitions in Previous Ten Years**

AMGI has not been the subject of a bankruptcy petition. For information concerning individual representatives, clients should review Part 2B.