

Alliance Financial

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Fox Financial, Inc DBA Alliance Financial. If you have any questions about the contents of this brochure, please contact us at (610) 376-5981 or by email at: kevin.m.fox@lpl.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 Alliance Financial is also available on the SEC's website at www.adviserinfo.sec.gov. Alliance Financial's CRD number is: 319679.

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Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: 10/01/2024

Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Alliance Financial on February 29, 2024 are described below. Material changes relate to Alliance Financial's policies, practices or conflicts of interests.

- Financial planning fees are paid via check or by ACH, debit card, or credit card using AdvicePay. (Item 5)
- AF has updated its primary business address. (Cover Page)
- AF updated its Types of Clients. (Item 7)
- AF generally recommends the use of Ascensus and Aspire Financial for recordkeeping and administration. (Items 12 and 14)

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Item 4: Advisory Business

A. Description of the Advisory Firm

Alliance Financial (hereinafter "AF") is a corporation organized in the State of Pennsylvania. The firm was formed in January 2013, and the principal owner is Kevin Michael Fox.

B. Types of Advisory Services

Portfolio Management Services

AF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. AF creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). 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

AF evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AF 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 completed with each client.

AF seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AF's economic, investment or other financial interests. To meet its fiduciary obligations, AF attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AF'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 AF's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

AF 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, AF will always ensure those other advisers are properly licensed or registered as an investment adviser. AF 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 AF's client. AF may also allocate among one or more private equity funds or private equity fund advisers. AF will not review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Use of LPL Programs

AF provides advisory services through certain programs sponsored by LPL Financial LLC ("LPL"), a registered investment advisor and broker-dealer. AF has included a brief description of each LPL advisory program that it intends to use. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs, please see the program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

AF expects to use the following LPL programs.

Optimum Market Portfolios Program (OMP)

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. AF will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. AF will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$10,000 is required for OMP. In certain instances, LPL will permit a lower minimum account size.

Model Wealth Portfolios Program (MWP)

MWP offers clients a professionally managed mutual fund asset allocation program. AF will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. AF will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department, a third-party portfolio strategist and/or AF, through its investment adviser representative, may act as a portfolio strategist responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$25,000. In certain instances, a lower minimum for a portfolio is permitted.

Guided Wealth Portfolios (GWP)

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the "Model Portfolio"). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although AF will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the "Educational Tool") is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and Alliance Financial, LLC by enrolling in the advisory service (the "Managed Service"). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or Alliance Financial, LLC, do not enter into an advisory agreement with LPL, FutureAdvisor or Alliance Financial, LLC, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

A minimum account value of \$5,000 is required to enroll in the Managed Service.

Pension Consulting Services

AF offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its 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.

Services Limited to Specific Types of Investments

AF generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), 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, commodities and non-U.S. securities. AF may use other securities as well to help diversify a portfolio when applicable.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

C. Client Tailored Services and Client Imposed Restrictions

AF offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). 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 AF from properly servicing the client account, or if the restrictions would require AF to deviate from its standard suite of services, AF reserves the right to end the relationship.

D. Wrap Fee Programs

AF acts as portfolio manager and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. However, this brochure describes AF's non-wrap fee advisory services; clients utilizing AF's wrap fee portfolio management should see AF's separate Wrap Fee Program Brochure. AF manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. AF receives the advisory fee set forth in Item 5 below as a management fee under the wrap fee program. Please also see Item 5 and Item 12 of this brochure.

E. Assets Under Management

AF has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$222,002,652.00 | \$10,324,556.00 | December 2023 |

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

| Total Assets Under Management | Annual Fees |
|-------------------------------|-------------|
| \$1 - \$99,999 | 1.75% |
| \$100,000 - \$249,999 | 1.70% |
| \$250,000 - \$499,999 | 1.65% |
| \$500,000 - \$749,999 | 1.55% |
| \$750,000 - \$1,249,999 | 1.50% |
| \$1,250,000 - \$4,999,999 | 1.30% |
| \$5,000,000 - AND UP | 1.20% |

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AF's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

The LPL Programs referenced in Item 4 are subject to maximum fees, depending on which program is used. The MWP account fee consists of LPL program fee, a strategist fee (if applicable) and the AF advisory fee.

Selection of Other Advisers Fees

Clients will pay AF its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between AF and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

The LPL Model Wealth Portfolios Program (MWP) account fee consists of the LPL program fee, a strategist fee (if applicable) and the AF advisory fee. The AF advisory fee is disclosed via the client's advisory agreement. The MWP program fee and the strategist fee (if applicable) are described in the LPL program account packet.

Pension Consulting Services Fees

Asset-Based Fees for Pension Consulting

| Total Assets Under Management | Annual Fee |
|--------------------------------------|-------------------|
| \$1 - \$99,999 | 1.75% |
| \$100,000 - \$249,999 | 1.70% |
| \$250,000 - \$499,999 | 1.65% |
| \$500,000 - \$749,999 | 1.55% |
| \$750,000 - \$1,249,999 | 1.50% |
| \$1,250,000 - \$4,999,999 | 1.30% |
| \$5,000,000 - AND UP | 1.20% |

Generally, the client authorizes the plan's platform provider/recordkeeper to deduct these fees from plan assets to pay AF. Fees are then calculated according to the frequency, timing and method as determined by client's agreement with the recordkeeper.

In some cases, these fees may be paid by the client instead of directly from plan assets as described above. Therefore, fees will be billed by AF to the client, due upon receipt and as elected within the pension consulting agreement. Any fees remaining unpaid after

thirty (30) days from date of invoice will be due and payable immediately by the plan. If fees are not paid after 60 days, the unpaid amount will be subject to a late charge of 1% per month until paid, and AF may suspend the performance of services until it has been paid in full, including any late charge.

These fees are generally negotiable and any party may terminate the pension consulting agreement without charge or penalty upon thirty (30) days prior written notice to the other party.

Financial Planning Fees

Fixed Fees

The negotiated fixed rate for creating client financial plans is between \$250 and \$10,000.

Hourly Fees

The negotiated hourly fee for these services is between \$150 and \$500.

Clients may terminate the agreement without penalty, for full refund of AF's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

Payment of Pension Consulting Fees

Asset-based pension consulting fees are generally paid from plan assets but may be paid by the client in some cases. When fees are paid from plan assets, fees are calculated and paid according to the method determined by the client's agreement with the recordkeeper. When fees are paid by the client, fees are calculated and paid according to the method determined by the client's pension consulting agreement with AF.

Payment of Selection of Other Advisers Fees

The LPL Model Wealth Portfolios Program (MWP) account fee consists of the LPL program fee, a strategist fee (if applicable) and the AF advisory fee. The AF advisory fee is disclosed via the client's advisory agreement. The MWP program fee and the strategist fee (if applicable) are described in the LPL program account packet.

Payment of Financial Planning Fees

Financial planning fees are paid via check or by ACH, debit card, or credit card using AdvicePay.

Fixed financial planning fees are due in arrears upon completion.

Hourly financial planning fees are due in arrears upon completion.

C. Client Responsibility For Third Party Fees

This brochure describes AF's non-wrap fee advisory services; clients utilizing AF's wrap fee portfolio management should see the separate Wrap Fee Program Brochure for additional details regarding third party fees. Client accounts not participating in the wrap fee program are responsible for the payment of all third party fees (i.e., custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AF. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

AF collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned promptly to the client via check, return deposit back into the client's account, or another means as requested by the client.

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 rate by 360.)

E. Outside Compensation For the Sale of Securities to Clients

Kevin Michael Fox, Thomas Alan Drexler, Eric McFadden Mischler, Stephanie Lynn Baity and Jacqueline Learned Powell are registered representatives of a broker-dealer. Kevin Michael Fox, Thomas Alan Drexler, Eric McFadden Mischler, Stephanie Lynn Baity and Jacqueline Learned Powell are also insurance agents. In these roles, they accept compensation for the sale of investment products to AF clients.

1. This is a Conflict of Interest

Supervised persons may accept compensation for the sale of investment products, including asset based sales charges or service fees from the sale of mutual funds to AF's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on

the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, AF will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase AF recommended products through other brokers or agents that are not affiliated with AF.

3. Commissions are not AF's primary source of compensation for advisory services

Commissions are not AF's primary source of compensation for advisory services.

4. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

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

AF 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

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

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

AF does not impose an account minimum for any of AF's services. However, LPL may impose an account minimum depending on the specific LPL program chosen. Those minimums are explained in Item 4 of this brochure.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

AF's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

Charting analysis involves the use of patterns in performance charts. AF uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

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 asset.

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

AF 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

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is

that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

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

AF'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: AF's selection process cannot ensure that money managers will perform as desired and AF will have no control over the day-to-day operations of any of its selected money managers. AF 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

AF'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. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. 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. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

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.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

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

As registered representatives of LPL Financial, Kevin Michael Fox, Thomas Alan Drexler, Eric McFadden Mischler, Stephanie Lynn Baity and Jacqueline Learned Powell accept compensation for the sale of securities.

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

Neither AF 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

Kevin Michael Fox, Thomas Alan Drexler, Eric McFadden Mischler, Stephanie Lynn Baity and Jacqueline Learned Powell are registered representatives of LPL Financial and from time to time, 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. AF always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of AF in such individual's capacity as a registered representative.

Kevin Michael Fox, Thomas Alan Drexler, Eric McFadden Mischler, Stephanie Lynn Baity and Jacqueline Learned Powell are independent licensed insurance agents. This activity creates a conflict of interest since there is an incentive to recommend insurance products based on commissions or other benefits received from the insurance company, rather than on the client's needs. Additionally, the offer and sale of insurance products by supervised persons of AF are not made in their capacity as a fiduciary, and products are limited to only those offered by certain insurance providers. AF addresses this conflict of interest by requiring its supervised persons to act in the best interest of the client at all times, including when acting as an insurance agent. AF periodically reviews recommendations by its supervised persons to assess whether they are based on an objective evaluation of each client's risk profile and investment objectives rather than on the receipt of any commissions or other benefits. AF will disclose in advance how it or its supervised persons are compensated and will disclose conflicts of interest involving any advice or service provided. At no time will there be tying between business practices and/or services (a condition where a client or prospective client would be required to accept one product or service conditioned upon the selection of a second, distinctive tied product or service). No client is ever under any obligation to purchase any insurance product. Insurance products recommended by AF's supervised persons may also be available from other providers on more favorable terms, and clients can purchase insurance products recommended through other unaffiliated insurance agencies.

Kevin Michael Fox acts as a pension consultant and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. AF always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of AF in connection with such individual's activities outside of AF.

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

AF may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay AF its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between AF and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. AF will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. AF will ensure that all recommended advisers are licensed or notice filed in the states in which AF is recommending them to clients.

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

A. Code of Ethics

AF 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. AF's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of AF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AF 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. AF 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 AF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AF 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, AF will never engage in trading that operates to the client's disadvantage if representatives of AF 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 AF'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 AF 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 AF's research efforts. AF will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

AF will require clients to use LPL Financial. AF receives without cost from LPL Financial administrative support, computer software, related systems support, as well as other third-party support which allows AF to better monitor client accounts maintained at LPL Financial and otherwise conduct its business. While these services generally help AF conduct its advisory business, each specific benefit may not necessarily benefit each client. These benefits include conferences, seminars and other educational and networking activities.

AF generally recommends the use of Ascensus and Aspire Financial for recordkeeping and administration.

1. Research and Other Soft-Dollar Benefits

While AF has no formal soft dollars program in which soft dollars are used to pay for third party services, AF may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). AF 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 AF does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. AF benefits by not having to produce or pay for the research, products or services, and AF will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that AF's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

AF 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

AF will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

If AF buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, AF 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. AF would determine the appropriate number of shares and select the appropriate brokers consistent with its 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 AF's advisory services provided on an ongoing basis are reviewed at least annually by the investment adviser representative assigned to the account, with regard to clients' respective investment policies and risk tolerance levels. All accounts at AF are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the investment adviser representative assigned to the account. Financial planning clients are provided a one-time financial plan concerning their financial

situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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, AF's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of AF's advisory services provided on an ongoing basis will receive at least quarterly a written report that details the client's account including assets held and asset value, which report will come from the custodian.

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)

AF may require clients to use LPL Financial. AF considers LPL Financial's market expertise and research access, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

AF and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial. LPL also provides other compensation to AF and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

Through relationships with Ascensus and Aspire, AF is provided (i) access to client account data such as trade confirmations and statements, (ii) back-office functionality, recordkeeping, and client reporting, (iii) pricing and other market data, and (iv) facilitation of fee payment from client accounts. These services present a conflict of interest, in that AF does not have to perform them or otherwise pay for them to be performed. AF is therefore incentivized to continue its relationship with Ascensus and Aspire. We resolve this conflict by disclosing it in this document.

B. Compensation to Non – Advisory Personnel for Client Referrals

AF does not compensate non-advisory personnel (solicitors/promoters) for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, AF will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. 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

AF provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AF 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.

Item 17: Voting Client Securities (Proxy Voting)

AF 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

AF neither requires nor solicits prepayment of more than \$1,200 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 AF nor its management has any financial condition that is likely to reasonably impair AF's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

AF has not been the subject of a bankruptcy petition in the last ten years.