

## Item 1 Cover Page

# APFORIA LTD

DBA

Clear Insight Financial Planning  
Clear Insight Wealth Management  
Redeployment Wealth Strategies

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Telephone: (833) 780-2487

**March 26, 2024**

### FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of APFORIA LTD, "APFORIA". If you have any questions about the contents of this brochure, contact us at (833) 780-2487 or [compliance@APFORIA.com](mailto:compliance@APFORIA.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 APFORIA LTD is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CRD number company CRD# 327176.

APFORIA is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

- Item 4: Advisory Business - Advisor updated to disclose Employee Benefit Plan Services.
- Item 5: Fees and Compensation - Advisor updated to disclose the fess schedule for Employee Benefit Plan Services.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of APFORIA LTD.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 327176.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (833) 780-2487

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## **Item 4 Advisory Business**

### **Description of Firm**

APFORIA LTD is a registered investment adviser who filed its initial registration with the SEC on June 19, 2023, and was founded in May of 2023. Paul D. Allen, Sean C. Gillespie, and Adrienne Ross are the principal owners. Paul D. Allen is the Chief Compliance Officer of APFORIA. We are organized as a corporation under the laws of the Commonwealth of Virginia.

The following paragraphs describe our services and fees. APFORIA has multiple investment advisor representatives. Some of APFORIA's investment adviser representatives do not offer all the service arrangements described below. Refer to your client service agreement for the details of the specific service arrangement you have with your APFORIA investment adviser representative.

Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to APFORIA LTD, or APFORIA and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### **Investment Management Services**

APFORIA LTD provides discretionary and non-discretionary investment management and related advisory services to its Clients. APFORIA LTD primarily employs an investment strategy which reflects a Client's goals and risk tolerance. The process begins with building a profile of where the Client is today and where they want to be in the future. Their goals, in combination with their risk tolerance, will determine the appropriate asset allocation. As market conditions and your financial plan dictate, your investment advisor may rebalance when necessary. A client may have multiple goals and each goal may have its own asset allocation if appropriate. For example, a retirement account will likely have a different allocation compared to saving for a down payment on a house.

If you participate in our discretionary Investment Management Services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the quantity of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

We also offer non-discretionary Investment Management Services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### **Ongoing Financial Planning**

APFORIA values financial planning for every Client. Comprehensive Financial Planning service involves working one-on-one with a financial planner from APFORIA over an extended period of time. By paying an ongoing fee, Clients will work with a financial planner who will help them develop and

implement a plan to address their financial life circumstances. Comprehensive Financial Planning is a collaborative process that helps maximize a Client's potential for meeting life goals through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances.

Comprehensive Financial Planning is not an event or a product.

Upon engaging the firm for financial planning, APFORIA and the Client will work together to:

- obtain and analyze all necessary qualitative and quantitative information from the Client;
- help the Client identify, select, and prioritize certain financial goals;
- assess the Client's current course of action and alternative courses of action;
- develop financial planning recommendations based on the aforementioned actions;
- monitor the Client's progress toward the goals and objectives; and
- implement recommendations with the Client.

These components all require in-depth communication with the Client. APFORIA requests to meet with Clients at least two (2) times a year.

### **Project and Hourly Financial Planning Services**

Clients utilizing this service will receive an email summary after each consultation meeting. Hourly engagements give Clients a chance to ask questions about personal financial management, planning, and investing and get answers on the spot. Clients may choose to schedule a series of hourly engagements across various periods of time.

Hourly engagements are not intended to replace Comprehensive Ongoing Financial Planning.

Instead, hourly engagements provide general information and guidance at top of mind for Clients. As APFORIA will not be privy to a Client's entire financial situation, APFORIA's advice is limited in scope to only the area(s) selected, and only the facts and circumstances shared with APFORIA by a Client will be incorporated into such advice.

The Client may select a topic agreed to by Client and Advisor that may include but is not limited to cash flow, debt management, college planning, student loan analysis, home purchase and refinances, and financial goals.

### **Employee Benefit Plan Services**

Our firm provides employee benefit plan services to employer plan sponsors on an ongoing basis.

Generally, such services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure, coordinating with other professional service providers, and participant education.

### **Educational Seminars and Workshops**

We may provide seminars on an "as announced" basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees, and may include retirement planning for military spouses, understanding employer sponsored retirement plans, managing credit and debt, defining financial and life goals, among many others. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual's person's need, nor does APFORIA provide individualized investment advice to attendees during these seminars.

## **Wrap Fee Programs**

We do not participate in any wrap fee program.

## **Types of Investments**

We primarily offer advice on Mutual Funds, ETFs, stocks and fixed income instruments. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

## **Assets Under Management**

We currently report \$70,826,714 discretionary, and \$0 non-discretionary Assets Under Management. Assets Under Management were calculated as of January 22, 2024.

## **Item 5 Fees and Compensation**

100% of APFORIA's investment adviser representatives provide fee-only fiduciary service as defined by the National Association of Personal Financial Advisors (NAPFA). Your investment adviser representative will charge fees based on the services provided in accordance with one of the fee structures listed in this section. Refer to your client service agreement for the specific details of the fee structure covering your financial planning agreement. Fees are not negotiable, but each APFORIA investment adviser representative reserves the right to discount posted fees on a case-by-case basis.

### **Investment Management Services**

Our fee for Investment Management Services is based on a percentage of the assets in your accounts managed by APFORIA and is set forth in the following annual fee schedule:

Our annualized advisory fee is based on the market value of the assets under management and ranges from 1.00% to 2.00%. Fees are not negotiable but each APFORIA investment advisor representative reserves the right to discount posted fees on a case by case basis.

The fee is billed either monthly or quarterly in arrears and is prorated for accounts opened or closed during a calendar month or quarter. The advisory fee is based on the closing market value of the Client's account(s) as reported by the Client's custodian(s) on the last business day of the calendar month or the calendar quarter.

Advisory fees may be directly debited from client accounts within two weeks of the new calendar month or quarter. Please see Item 15 for more information on direct fee deduction. Clients may also pay by check, electronic funds transfer, or via credit card. For clients paying by check or electronic payment, your fee is due and payable within 15 days upon receipt of an invoice. Clients who elect to pay by credit card may pay an additional processing fee. Credit card payments are assessed at a fee of 2.9% +

\$0.30 per transaction. The client service agreement will specify your arrangement.

After the initial five days, an Agreement may be terminated in writing at any time by either party. Upon notice of Client's termination, Advisor will cease managing the assets and will bill Client for any remaining fees due on a prorated basis calculated on the number of days the account was open during the billing period prior to termination.

We will deduct our fee directly from your account through the qualified custodian holding your funds

and securities.

## **Ongoing Financial Planning Fees**

Fees for financial planning are in accordance with the following fee schedule.

Your fee will be determined and customized depending on several factors including but not limited to the complexity of the client, hours worked, planning services, and the Investment Adviser Representative.

For ongoing financial planning; APFORIA provides three Billing Methods listed below. The billing method, project based, flat fee with investment management, or flat fee without investment management, is determined by each Investment Advisor Representative.

1. ONGOING FINANCIAL PLANNING WITH INVESTMENT MANAGEMENT where ongoing financial planning services are provided with investment management. Clients are billed one flat fee that covers financial planning and investment management.
2. ONGOING FINANCIAL PLANNING WITHOUT INVESTMENT MANAGEMENT where ongoing financial planning services are provided without investment management. Financial planning services are billed a flat fee and investment management services are billed separately.
3. A PROJECT BASED FINANCIAL PLAN where financial planning services are billed on an hourly per project basis.

### **Ongoing Financial Planning - Without Investment Management**

Ongoing Financial Planning consists of an ongoing fee that is paid monthly, in arrears, at the rate of \$200 - \$2,500 per month. Fees for this service may be paid by electronic funds transfer, check, or credit card.

### **Ongoing Financial Planning - With Investment Management**

Ongoing financial planning - with investment management consists of an upfront fee of \$495 and an ongoing fee that is paid monthly, in arrears, at the rate of \$200 - \$2,500 per month. The upfront fee can be waived at the advisors discretion. Investment Management Services are included at no additional cost. The upfront portion of the Financial Planning fee is for Client onboarding, data gathering, and setting the basis for the financial plan.

Fees for financial planning services may be paid by electronic funds transfer, check, or credit card. Clients who elect to pay by credit card may pay an additional processing fee of 2.9% + \$0.30 per transaction at the discretion of the Investment Adviser Representative.

Ongoing financial planning services may be terminated with 30 days' notice. Upon termination of any agreement, the fee will be prorated, and any unearned fee will be refunded to the Client. The upfront portion of the fee will not be paid more than 6 months in advance.

## **Project and Hourly Financial Planning Services**

Project-Based Financial Planning is offered based on an estimated amount of time needed to address the Clients' concerns. Unless otherwise negotiated, this service does not include assistance in implementing any recommendations and Clients always have the right to decide whether to implement any recommendations through APFORIA.

The fee will be agreed upon before the start of any work. The fee range is \$250 - \$500 per hour. Fees are billed at the completion of each consultation meeting.

APFORIA will send the client a written invoice. The written billing information will include the fee(s) charged, the formula used to calculate the fee(s), the fee calculation itself, and the time period covered by the fee(s).

Fees for project based financial planning services may be paid by electronic funds transfer, check, or credit card. Clients who elect to pay by credit card may pay an additional processing fee of 2.9% + \$0.30 per transaction at the discretion of the Investment Adviser Representative.

In the event of termination of any agreement and since fees are charged in arrears, Clients will be billed a final invoice for time worked. A summary of completed work will be delivered to the Client upon termination.

## **Employee Benefit Plan Services**

APFORIA will be compensated for Employee Benefit Plan services in two ways.

- APFORIA may be compensated according to the value of plan assets by charging between 0.25% – 0.50% of total plan assets. This does not include fees to other parties, such as RecordKeepers, Custodians, or Third-Party-Administrators.
- APFORIA may be compensated on a flat fee basis. This fee may range from \$3,000 - \$5,000.

Fees for this service are either paid directly by the plan sponsor or deducted directly from the plan assets by the Custodian on a monthly or quarterly basis, and APFORIA's fee is remitted to APFORIA.

## **Educational Seminars and Workshops**

APFORIA also provides educational seminars and workshops for clients to learn more about financial planning and investments. range from \$0.00 (free) to \$5,000.00 per seminar, workshop, or up to \$1,000.00 per participant. Half of the fees are due prior to the engagement, and the other half are to be paid the day of, no later than the conclusion of the event. The fee range is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees.

APFORIA provides a workplace benefit for employers and/or companies wishing to incorporate financial wellness as a benefit to employees and/or contractors. This service provides education and advice regarding a variety of financial planning topics. This includes topics and strategies such as how to initiate a backdoor Roth IRA, explanation on how a Health Savings account works and how to invest, types of retirement accounts, among other topics as agreed by APFORIA and the Client.

Advisor conducts educational sessions and check-ins throughout the calendar year for participants. As part of the sessions, Advisor creates content based on the topics selected by the Client. At no point will the Advisor provide individualized advice related to securities for participants.

Fees for this service may be paid by electronic funds transfer, check, or credit card. Clients who elect

to pay by credit card will pay an additional processing fee at the discretion of the Investment Adviser Representative. Credit card payments are assessed a fee of 2.9% + \$0.30 per transaction. If you decide to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, you are responsible for reimbursement of any non-refundable travel expenses already incurred. Any prepaid but unearned fees will be refunded to you.

## **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. Fees associated with investments will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals (other than high net worth individuals), and high net worth individuals.

Your investment adviser representative may have a minimum fee for service, however APFORIA does not require a minimum dollar amount to open and maintain an advisory account.

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

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Quantitative analysis** uses data-driven models to determine a stock's attractiveness in terms of specific factors. It provides greater breadth of analysis across a larger opportunity set of stocks. Quantitative analysis aims to avoid getting caught up in the emotion of the markets and seeks to build a portfolio of stocks with desired exposures.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a

company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

### **Modern Portfolio Theory**

The underlying principles of MPT are:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.
- Markets are efficient. The same market information is available to all investors at the same time. The market prices every security fairly based upon this equal availability of information.
- The design of the portfolio as a whole is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far more influence on long-term portfolio performance than the selection of individual securities.
- Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

### **Strategic Asset Allocation**

Strategic asset allocation sets target allocations based on factors such as the investor's risk tolerance, time horizon, and investment objectives. Strategic asset allocation involves periodic rebalancing to the target allocations. Target allocations may be adjusted at any time, but in particular to address investors changing time horizon, risk tolerance, and objectives.

### **Tactical Asset Allocation**

Tactical asset allocation involves taking an active stance on the strategic asset allocation itself and adjusting long-term target weights for a short period of time to capitalize on market or economic opportunities. Tactical shifts may occur within asset classes or across asset classes. Tactical asset allocation differs from rebalancing a portfolio in that during rebalancing, trades are placed to bring the portfolio back to its desired strategic asset allocation. Tactical asset allocation adjusts the strategic asset allocation for a short time, with the intention of reverting back to the strategic allocation once the short-term opportunities disappear.

### **Material Risks Involved**

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

## **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest

rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general.

Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

**Mutual Funds** When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## **Recommendation of Particular Types of Securities**

We primarily practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

No APFORIA employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No APFORIA employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

APFORIA does not have any related parties. As a result, we do not have a relationship with any related parties.

APFORIA only receives compensation directly from Clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

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

### **Description of Our Code of Ethics**

We are a fiduciary to our Clients, meaning we place each Client's interest first and foremost before our own interests. We strive to comply with applicable laws and regulations governing our practices. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected business standard of all our dealings. We also follow the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. This supports our fiduciary authority and activity. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons

associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"), and Altruist Financial LLC ("Altruist"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### **Research and Other Soft Dollar Benefits**

Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. APFORIA participates in soft dollar programs sponsored or offered by Charles Schwab & Co., Inc. ("Schwab"), and Altruist.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We routinely require that you direct our firm to execute transactions through Charles Schwab & Co., Inc. ("Schwab"), and Altruist. As such, we may be unable to achieve the most favorable execution of

your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

## **Block Trades**

We may aggregate (block) trades but are not obligated to do so as we purchase or sell mostly mutual funds and ETFs. However, the benefit of block trading is larger blocks of stocks or ETFs at either Schwab or Altruist allows more advantageous pricing with all Clients participating (and employees) at the price and individual commission charges, if any.

We can only block security accounts held by each custodian together. Schwab accounts, including employee accounts (if any), can be blocked together. Altruist accounts, including employee, friend, and family accounts can be blocked together. We cannot block Schwab and Altruist accounts together, as trade away fees are applied (which are generally \$25.00 per account, per transaction). This fee is inconsistent with our fiduciary obligation of best execution. If we receive a partial fill (not enough securities purchased for everyone in a block at either custodian), Clients are filled first, employees after. If multiple trades are needed to completely fill an ETF for equity transactions, the prices are averaged together, and all block participants receive the average price. Block trading and execution benefits are not applicable to non-ETF open ended mutual funds, as those transactions occur at the prior day's closing price (for purchases or sales).

## **Item 13 Review of Accounts**

Your investment adviser representative will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives.

In addition to the investment monitoring noted above, each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's accounts. The Client is encouraged to reach out to their investment adviser representative if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

The Client will receive brokerage statements either monthly or quarterly from the Custodian, as indicated. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's accounts. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance, upon request.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## Item 15 Custody

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. The Client will provide written authorization to APFORIA LTD, permitting them to be paid directly for their accounts held by the custodian.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure. We have not filed a bankruptcy petition at any time in the past ten years.