



Form ADV Part 2A – Firm Brochure

March 30, 2024

Asia Pacific Financial Management Group, Inc.

A Registered Investment Adviser

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This Brochure provides information about the qualifications and business practices of Asia Pacific Financial Management Group, Inc. ("Asia Pacific" or the "Firm"). If you have any questions about the contents of this Brochure, please contact Sandra McKeever at (671.472.6400). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Additional information about Asia Pacific Financial Management Group, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Asia Pacific Financial Management Group, Inc. is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Brochure, dated March 30, 2024, is an update to Asia Pacific's Brochure dated June 2023. In December 2023, Asia Pacific withdrew its broker-dealer registrations after ceasing brokerage operations in March 2023. The broker-dealer withdrawal filing was completed shortly after the broker-dealer's Chapter 11 reorganization plan was confirmed, and a matter with a former client was resolved. This Brochure contains updates and additions regarding fees, expenses, risks, and conflicts.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Our Brochure is available by contacting Sandra McKeever, Chief Compliance Officer, at 671.472.6400 or by email at wm@apfmg.com.

Additional information about Asia Pacific is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Asia Pacific who are registered or are required to be registered as investment adviser representatives of Asia Pacific.

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Item 4. Advisory Business

Asia Pacific Financial Management Group, Inc. provides personalized investment advice, investment management, and retirement & financial planning to individuals, qualified retirement plans, trusts, estates, charitable organizations, and business entities. Advice is provided through consultation with the client. It may include determining financial objectives, cash flow management, time horizon, risk tolerance, investment management, education funding, retirement planning, and insurance review. Advice is provided through consultation with the client. It typically includes the determination of financial objectives, cash flow management, time horizon, risk tolerance, investment management, education funding, retirement planning, and insurance review.

Asia Pacific was founded in 1993 and is currently operated by principals and owners Sandra McKeever, Melinda Sulit, Jonathan Ulloa, and Sophia Brindejoic-Choi. In March of 2023, Asia Pacific ceased its brokerage operations, and since then, it has exclusively operated as an investment advisor. As of December 31, 2023, Asia Pacific managed approximately \$248,444,711 in client assets on a discretionary basis.

Before engaging Asia Pacific to provide any of the investment advisory services, the client must enter into one or more written agreements setting forth the terms and conditions under which Asia Pacific renders its services (collectively the "*Agreement*"). Agreements may be assigned without the client's consent. At the start of each client relationship, their current financial situation is evaluated. Periodic reviews are also communicated to remind of the specific courses of action that must be taken. The initial meeting is considered an exploratory interview to determine the extent to which Asia Pacific's financial planning and investment management may benefit the client.

This disclosure brochure describes the Asia Pacific business. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Asia Pacific's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on Asia Pacific's behalf and is subject to Asia Pacific's supervision or control.

Investment Management Services

Clients can engage Asia Pacific to manage all or a portion of their assets on a discretionary basis. In select and limited cases, Asia Pacific may also manage assets on a non-discretionary basis. Investment management clients may also receive retirement planning and financial planning services in conjunction with portfolio management.

Asia Pacific primarily allocates clients' investment management assets among exchange-traded funds ("ETFs"), mutual funds, and, to a lesser extent, individual debt and equity securities in accordance with the investment objectives of the client. Asia Pacific, as requested, provides advice about any legacy positions or investments in clients' portfolios. Additionally, Asia Pacific provides investment management services to clients relative to variable life/annuity products they may own, their employer-sponsored retirement plans, and/or 529 plans or other products that the client's primary custodian may not hold.

Asia Pacific tailors its advisory services to the individual needs of clients. Asia Pacific consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon, and other factors that may impact the clients' investment needs. Asia Pacific strives to ensure that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance. Often, clients choose to have Asia Pacific provide ongoing investment advice and life planning. Important aspects of the client's financial affairs are reviewed. Realistic and measurable goals are discussed, and objectives to reach those goals are defined.

Clients are advised to promptly notify Asia Pacific if there are changes in their financial situation or investment objectives or if they wish to impose reasonable restrictions upon Asia Pacific's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in Asia Pacific's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Additions and Withdrawals to Accounts

Clients may make additions to and withdrawals from their account at any time, subject to Asia Pacific's right to terminate an account. Clients may withdraw account assets on notice to Asia Pacific, subject to the usual and customary securities settlement procedures. However, Asia Pacific designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives.

Miscellaneous

When performing the services described above, we are neither your attorneys nor your accountants, and you should interpret no portion of any services rendered by us as legal or accounting advice. We recommend that you seek the advice of a qualified attorney and accountant.

Asia Pacific may recommend the services of its *Supervised Persons* in their individual capacities as licensed insurance agents to implement its recommendations. Clients are

advised that a conflict of interest exists if Asia Pacific recommends the services of itself or its Supervised Persons for purchasing an insurance product, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions received rather than on a particular client's need. Clients retain absolute discretion over any Asia Pacific recommendations to purchase insurance products and are free to accept or reject the recommendation. The client is not obligated to act upon any of the recommendations made by Asia Pacific.

Asia Pacific may recommend the services of other professionals to implement its recommendations. The client is under no obligation to act upon any of the recommendations made by Asia Pacific to engage the services of any such recommended professional. Clients retain absolute discretion over all such decisions and are free to accept or reject any of Asia Pacific's recommendations. Please note that if the client engages any unaffiliated recommended professional, and a dispute arises after that relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Client Obligations

In performing its services, Asia Pacific shall not be required to verify any information received from the client or the client's other professionals, and it is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Asia Pacific if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Asia Pacific's previous recommendations and/or services.

Retirement Rollovers

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. How 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 interests ahead of yours.

A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to their new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Asia Pacific may recommend that

investors roll over plan assets to an individual retirement account (IRA) managed by Asia Pacific. As a result, Asia Pacific and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Asia Pacific (unless you engage Asia Pacific to monitor and/or manage the account while maintained at your employer). Asia Pacific has an economic incentive to encourage an investor to roll plan assets into an IRA that Asia Pacific will manage or to engage Asia Pacific to monitor and/or manage the account while maintained at your employer. There are various factors that Asia Pacific may consider before recommending a rollover, including but not limited to i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus Asia Pacific, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. *No client is under any obligation to rollover plan assets to an IRA managed by Asia Pacific or to engage Asia Pacific to monitor and/or manage the account while maintained at your employer.* Please Note: If Asia Pacific's engagement will include the management of the client's retirement account per the same fee schedule outlined in Item 5 below, regardless of the custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is moot.

Item 5. Fees and Compensation

Asia Pacific offers its services on a fee basis, according to the following schedule:

FEE SCHEDULE: ANNUALIZED FLAT FEE	
Account Value	Annualized Fee
\$0-\$249,999	1.85%
\$250,000-\$499,999	1.75%
\$500,000-\$999,999	1.50%
\$1,000,000-\$2,999,999	1.35%
\$3,000,000-\$4,999,999	1.10%
Over \$5,000,000	Negotiable

Asia Pacific does not charge hourly fees.

Investment Management and Advisory Fees

Asia Pacific provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by Asia Pacific. The annual fee is prorated and charged quarterly based upon the market value of the assets on the last business day of the quarter for all assets managed by Asia Pacific. Depending upon the custodian chosen for the client and as disclosed in the client agreement, the fee may be charged in advance or arrears. Asia Pacific's annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses that are incurred by or assessed to the client by unaffiliated third parties. Asia Pacific does not receive any portion of these commissions, fees, and costs.

Asia Pacific, in its sole discretion, may waive its minimum fee and/or charge a lesser management fee based upon specific criteria (i.e., historical relationship, asset types, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, account retention, *pro bono* activities, etc.).

Asia Pacific may impose a minimum annual fee. Clients with assets below the minimum account size pay a higher percentage rate of their annual fees. When a client chooses to engage Asia Pacific for additional services in select situations, the fee may be higher than the schedule.

Fees Charged by Financial Institutions

Asia Pacific generally recommends that clients utilize the brokerage and clearing services of certain broker-dealers and custodians for investment management accounts ("Financial Institutions"). These Financial Institutions are not affiliated with Asia Pacific. Clients may incur certain charges imposed by the Financial Institutions and other third parties. Such charges may include but are not limited to, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees, and commissions are exclusive of and in addition to Asia Pacific's fee.

Fee Debit

Asia Pacific's client agreement authorizes Asia Pacific to debit the client's account for the amount of its fee and to remit that fee to Asia Pacific directly. Any *financial institutions*

recommended by Asia Pacific have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the management fees paid directly to Asia Pacific.

Fees for Management During Partial Months of Service

For the initial period of investment management services, the fees shall be calculated on a *pro-rata* basis. Suppose assets are deposited into or withdrawn from an account after the inception of a month. In that case, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the month.

The Agreement between Asia Pacific and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Asia Pacific's fees are prorated through the date of termination, and any remaining balance is charged or refunded to the client as appropriate. Asia Pacific reserves the right to stop working on any account over 30 days overdue. In addition, Asia Pacific reserves the right to terminate the relationship if it reasonably believes that the client has refused to provide pertinent information when necessary and appropriate to perform the services.

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

Asia Pacific does not provide any services for performance-based fees.

Item 7. Types of Clients

Asia Pacific provides services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities. Asia Pacific has the discretion to waive the account minimum of \$250,000.

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

Methods of Analysis

Asia Pacific Financial Management Group's (APFMG) analysis methods may include fundamental and cyclical analysis and other industry analyses.

Fundamental analysis examines economic and financial factors to measure a security's intrinsic value. Intrinsic value is the calculation of an investment based on the issuing company's financial situation and current market and economic conditions. Many factors can affect a security's value, including macroeconomic and microeconomic conditions. Ultimately, fundamental analysis aims to determine a number that an investor can compare with a security's current price to see whether the security is undervalued or overvalued in the market.

Cyclical analysis examines the shifting business cycles in the economy and attempts to look for investment opportunities. For example, when there is greater demand, cyclical companies tend to produce more products and services when the economy grows. When there is lower demand, cyclical companies tend to produce fewer products and services when the economy shrinks.

Investment Strategies

Asia Pacific Financial Management Group's investment philosophy is to follow a prudent and disciplined investment strategy that aligns with a client's risk tolerance, time horizon, investment objectives, and goals. We tailor each client's investment strategy to their needs, assets, and income. We firmly believe in our fiduciary duty to put our clients' best interests first. Our investment strategy for long-term investors is to buy and hold into a low-cost, diversified portfolio that is competitive against its peer group benchmarks. For short-term investors, we believe in a low-risk portfolio that aims to reduce volatility and minimize the probability of losses. Our Investment Committee reviews and monitors the portfolios and their underlying holdings and makes changes as needed. When selecting new underlying holdings for our portfolios and evaluating those currently used, we review quantitative and qualitative factors, including transactional costs, expense ratios, diversification, liquidity, benchmarks, tracking error, and other criteria. We use the same investment philosophy for clients invested in individual holdings outside our model portfolios. The objectives of these stock and equity strategies include income, value, and quality growth.

Risk of Loss

General Risk of Loss

There are inherent risks in investing, including possible loss of principal. The investment return and principal value of an investment will fluctuate so that an investor's principal amount of invested shares when redeemed, may be worth more or less than the original cost. Diversification does not protect against loss. Past performance does not guarantee future results.

Mutual Funds and Exchange Traded Funds (ETFs)

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

corresponding loss. As such, a fund investor may incur substantial tax liabilities even when the fund underperforms.

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

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of Asia Pacific's recommendations may depend, to a great extent, on correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Asia Pacific will be able to predict those price movements accurately.

Item 9. Disciplinary Information

Asia Pacific must disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Asia Pacific does not have any required disclosures regarding this item.

Item 10. Other Financial Industry Activities and Affiliations

Asia Pacific is required to disclose any relationship or arrangement that is material to its advisory business or its clients with certain related persons.

Receipt of Insurance Commissions

Asia Pacific and certain of its Supervised Persons, in their individual capacities, are also licensed insurance agents with various insurance companies and, in such capacity, may recommend on a fully disclosed commission basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Asia Pacific recommends the purchase of insurance products where its Supervised persons receive insurance commissions and or other additional compensation.

Conflicts of Interest

As disclosed in Item 4 above, various conflicts of interest are presented by the client's engagement of Asia Pacific :(1) The recommendation by Asia Pacific representatives that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products from Asia Pacific. Clients are reminded that they may purchase insurance products recommended by Asia Pacific through other non-affiliated insurance agents. Asia Pacific's Chief Compliance Officer, Sandra McKeever, is available to address any questions a client or prospective client may have regarding the above conflicts of interest.

Item 11. Code of Ethics

Asia Pacific and its associated persons are permitted to buy or sell securities that it also recommends to clients consistent with Asia Pacific's policies and procedures. Asia Pacific has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Asia Pacific or any of its associated persons. The *Code of Ethics* also requires that certain of Asia Pacific's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of specific investments such as initial public offerings and limited offerings.

Asia Pacific recognizes that, on occasion, conflicts may arise between the personal trading of Access Persons and the trading for clients. To the greatest extent possible, all conflicts will be resolved in the client's favor.

Clients and prospective clients may contact Asia Pacific to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Asia Pacific generally recommends that investment management accounts be maintained at RBC Clearing and Custody (RBC Capital Markets, LLC), SEI Investments, California Pension Administrators and Consultants, Inc., Future Plan, ASC Trust Corporation, and Group IRA, Inc. Before engaging Asia Pacific to provide investment management services, the client will be required to enter into an *Agreement* setting forth the terms and conditions under which Asia Pacific shall manage the client's assets, and a separate custodial/account agreement with each designated broker-dealer/custodian.

Asia Pacific recommends custodians based on the client's needs, the custodians's proven track record, financial responsibility, reputation, execution capabilities, and service. Although the commissions and/or transaction fees paid by Asia Pacific's clients shall comply with Asia Pacific's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Asia Pacific determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost but whether the transaction represents the best qualitative execution, considering the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Asia Pacific will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Asia Pacific's investment management fee. Asia Pacific does not receive fees or commissions from any of these arrangements.

Item 13. Review of Accounts

For those clients to whom Asia Pacific provides investment management services, Asia Pacific monitors those portfolios as part of an ongoing process. At the same time, regular account reviews are conducted on at least a quarterly basis. Account reviews are performed more frequently when market conditions dictate, changes in the tax laws, new investment information, and changes in a client's situation. Such reviews are conducted by one of Asia Pacific's investment adviser representatives.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Asia Pacific and to keep Asia Pacific informed of any changes. Asia Pacific contacts clients at least annually to review its previous services and/or recommendations. Important aspects of the client's financial affairs are reviewed. Realistic and measurable goals are

discussed, and objectives to reach those goals are defined. As goals and objectives change over time, suggestions may be made and implemented on an ongoing basis.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Asia Pacific will provide clients with a performance report statement that may include market-related information, such as an inventory of account holdings and account performance that is not less than annually. Clients should compare the account statements they receive from their custodian with those they receive from Asia Pacific.

Item 14. Client Referrals and Other Compensation

Asia Pacific must disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Asia Pacific is required to disclose any direct or indirect compensation that it provides for client referrals.

Asia Pacific does not pay other entities for client referrals, nor does it receive compensation for any referrals it may recommend to clients.

Item 15. Custody

The client's *Agreement* and/or Asia Pacific's separate *Agreement* with any *Financial Institution* may authorize Asia Pacific through such *Financial Institution* to debit the client's account for the amount of Asia Pacific's fee and directly remit that fee to Asia Pacific per applicable custody rules.

The *financial institutions* recommended by Asia Pacific are qualified custodians and have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the management fees paid directly to Asia Pacific.

Item 16. Investment Discretion for Investment Management Services

The client authorizes Asia Pacific to exercise discretion and can effect transactions for the client without first having to seek the client's consent. Asia Pacific is given this authority through a limited power-of-attorney in the *Agreement* between Asia Pacific and the client. Asia Pacific exercises discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and

- The *Financial Institutions* to be utilized.

Clients may request a limitation on this authority (such as certain securities not to be bought or sold). If requested, Asia Pacific will manage accounts on a non-discretionary fee basis. Those clients may direct purchases or hold positions that Asia Pacific does not follow or hold an opinion on.

Item 17. Voting Client Securities

Asia Pacific does not vote, nor advise on how to vote, proxies for securities held by clients.

Item 18. Financial Information

Asia Pacific has no financial impairment that will preclude the firm from meeting contractual client commitments. Asia Pacific does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance.