



SEC File No: 801 134500

May 1, 2008

This brochure provides clients with information about Aspetuck Financial Management, LLC, and the RMP- Risk Managed Portfolio Program™, that should be considered before you become a client of the Program. This information has not been approved or verified by any governmental authority.

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INTRODUCTION TO PROGRAM

Aspetuck Financial Management's RMP - Risk Managed Portfolio Program (also referred to as "RMP Program") is a service of Aspetuck Financial Management, LLC ("AFM"), a registered investment adviser. RMP Program is designed to help you invest in and manage a globally diversified portfolio of securities. RMP program provides clients with portfolio construction, investment selection, and ongoing proactive investment management on a discretionary basis.

Our rigorous investment management process seeks to eliminate many of the common reasons why investors do not do well:

- Neglectful...do not take appropriate and timely investment action
- Lack the time it takes or expertise to professionally manage assets
- Buy investments without first establishing an investment strategy
- Invest in individual securities instead of creating a diversified portfolio of securities
- Buy high & sell low, chase performance, act on "tips" & "headline news" instead of research

Source: Chartered Financial Analyst Member Survey 2005

Our exclusive dynamic portfolio management program seeks to actively manage your portfolio to reduce risk of loss over time, pursue higher income opportunities, and enhance returns, by making appropriate adjustments in your portfolio as the market moves through its cycle. The RMP Program offers three portfolio strategies to choose from with different risk & reward characteristics:

1. *Growth Strategy*

Emphasis on maximizing long-term capital appreciation returns. Portfolio strategy seeks to produce total returns that exceed popular US Large-cap Equity Index returns over a five year period. Principal risk and fluctuation that's commensurate to Large-cap stocks is expected. Portfolio will almost entirely invest worldwide in equities.

2. *Growth & Income Strategy*

Primary objective is capital appreciation. Income is a secondary consideration. Portfolio strategy seeks to produce total returns that match common US Large-cap Equity Index returns over a five year period. Moderately lower principal risk and fluctuation is expected than US Large-cap stocks. Portfolio invests in global equities, global fixed income, and domestic cash-equivalents.

3. *Conservative Income & Growth Strategy*

Primary objective is current income and capital appreciation is secondary. Portfolio strategy seeks to produce total returns that exceed broad market bond indexes returns. Significantly lower principal risk and fluctuation is expected than US Large-cap Equity Index. Portfolio holds global equities, global fixed income, and domestic cash-equivalents.

The following indices are used as the benchmarks for the RMP Program. The S&P 500 Index is a commonly used broad based index of large-cap domestic stocks and a registered trademark of Standard & Poors Inc.. Lehman Brothers Bond Index measures the performance of all debt obligations of the U.S. Treasury and U.S. Government agencies, and all investment-grade domestic corporate debt. It is the broadest U.S. bond market index. It is a market-capitalization weighted index with maturities of at least one year. Inflation measured by CPI

data until 2005. Inflation data source: Federal Reserve.

Discretionary Account Management

If you decide to participate in the RMP Program, you will sign an Investment Advisory Services Agreement, granting AFM discretionary authority to purchase or sell mutual funds, and or individual securities for your account. Your account will be actively managed according to one of three strategies described in the prior section. The strategy used to manage your account is determined by your personal Investment Policy Statement that is established before investing. Your account will be proactively managed on an ongoing basis in an attempt to control risk levels and pursue consistent positive annual returns. Changing market conditions, economic conditions, and underlying fundamentals of the investments held in your account, will precipitate portfolio adjustments.

AFM may or may not consult with a client before effecting a transaction. Account supervision and transactions are guided by the client's Investment Policy Statement, stated portfolio objective of RMP Program Portfolio, and the AFM's current Investment Strategy.

Upon establishing an account it may take as long as three months to become fully invested according to your Investment Policy Statement. Current market conditions dictate how quickly an account can become fully invested. For instance we may hold more cash-equivalents than normal in down markets waiting for conditions to stabilize before investing in securities. In addition, we may delay selling securities transferred into your account from outside sources because we are waiting for a better time to sell them.

AFM uses brokerage technology to invest client assets so that all accounts are treated fairly in the execution of trades. Brokerage firm provides trade execution tools that allow AFM to buy and sell securities for all accounts as well as rebalance all accounts at the same time. Clients in model accounts benefit most from this technology. Non-model accounts will not benefit from this technology and may affect the ability of AFM to immediately place a trade in client's account.

You may use RMP Program for the following types of accounts: IRA Rollover, IRA, Roth IRA, SEP IRA, Simple IRA, Uni-401k, 403b(7), Money Purchase Profit Sharing Plan, Corporate account, Corporate Retirement account, Trust account, Custodial account, Individual account, Joint Account, 529 Plan account, and annuities offered by independent providers. AFM is an investment adviser registered only in the United States and is unable to service customers who do not maintain a legal U.S. address.

Investment Adviser Services and Responsibilities

Investment advisory services involve an evaluation of current investment holdings, preparing a personal Investment Policy Statement that addresses a client's portfolio objective, risk tolerance, income needs, liquidity requirements, investment horizon, tax implications, and financial circumstances.

The client's Investment Policy Statement determines which portfolio strategy is suitable, what investments are suitable, and how the account will be managed. AFM investment Adviser is responsible for placing client in a suitable RMP Program portfolio. Ultimately, it is the client's decision to invest in an RMP Program portfolio.

AFM will contact the client at least annually to inquire if the client wants to conduct an account review and or update client's Investment Policy Statement. Please remember to contact AFM if there are any changes in your financial situation, circumstances, or Investment Policy Statement that may warrant reviewing, evaluating, and revising our previous portfolio recommendation. Please also advise us if you would like to impose, add, or to modify any reasonable restrictions to your account. Your AFM Investment Adviser is responsible making sure your investment account is being managed according to your Investment Policy Statement. AFM is responsible for managing the RMP Program portfolios according to the stated Investment objective of the portfolio, and maintaining a diversified portfolio.

AFM is responsible for actively managing client accounts on a discretionary basis, executing transactions to manage client accounts, requesting the Custodian to withdraw funds to pay Total Account Fees and any applicable client transaction fees charged by brokerage firm to AFM. AFM Investment Adviser, working with the client, may execute trades at the client bequest to harvest tax losses or gains. In addition, AFM is allowed to disburse client funds to client's at that their verbal or written request. AFM is not responsible for performance of RMP accounts where client is instructing the AFM investment adviser on which trades to make in an account.

Client understands and agrees that Client retains the right to vote all proxies, which are solicited for securities held in the Account. Adviser and IAR are hereby expressly precluded from voting proxies for securities held in the Account and will not be required to take any action or render advice with respect to the voting of proxies. Only at clients' request will AFM provide counsel on how to vote in a security proxies in managed accounts. The firm

will vote in favor of shareholder interest. That is to say our clients' best interest. Routine proposals that is general in nature and do not change the structure, bylaws, or operation of the corporation to the detriment of the shareholders normally are voted with management. Special routine proposals will receive further consideration before a vote is made. Non-routine proposals, issues that can affect structure and operations of the corporation will be carefully considered because they can greatly affect shareholder value. Corporate governance proposals that have a negative impact on shareholder value will be voted against. Shareholder proposals that involve corporate governance and non-routine proposals will be voted against. Shareholder proposals that involve corporate governance and non-routine proposals will be considered on a case-by-case basis in order to determine their impact on shareholder value. AFM attempts to avoid material conflicts of interest in voting proxies. Due to client confidentiality rules, we do not publicly disclose our votes.

Account Features

- **Free Portfolio Analysis and Portfolio Recommendation** - Our IPM - Improving Portfolio Management™ Service is a free service that reviews your current portfolio for ways to improve your portfolio's performance. Our recommendations seek to reduce your cost of asset management, reduce overall portfolio risk, increase your portfolio's income, and enhance your portfolio's return and return opportunity set.
- **Establishment of an Investment Policy Statement and Annual Review** - Creation of your very own Investment Policy Statement. Your personal Investment Policy Statement determines a suitable portfolio

strategy and guides us on how to manage your assets according to your objectives, needs, and circumstances. Annually AFM will inquire with clients to determine if their investment policy statement requires updating.

- **Dedicated Experienced Investment Adviser** - to provide ongoing investment advice, ancillary financial planning advice and services, as well as caring responsive account services.
- **Ongoing Account Management and Investment Supervision** - factors in global economic and market factors, investment fundamentals, tax law changes, as well as industry developments, and your goals!
- **Account Rebalancing Tool** – brokerage technology helps manage portfolio risk.
- **Annual Account Review** – Clients may request an account review each year either by telephone or in person. Although, we are available anytime during business hours to speak to you about your account(s).
- **Web Based Account Information** – account balance, positions, transaction information, cost basis information, statements, etc.
- **Reporting** - Monthly account electronic statements, electronic transaction confirmations, and year-end tax statements. Realized Sales reports with cost basis information on securities purchased through the program.
- **Market and Portfolio Updates** – via client e-mail communications, newsletter, client dinners, and meetings.

Account Minimums, Fees and Expenses

The minimum account size is \$50,000 but exceptions can be made depending on Client circumstances, and financial planning needs. For example, starting an IRA account with an initial contribution. Investments may be deposited in the form of check, wire, cash-equivalents, stocks, bonds and or mutual funds. However, smaller investment sums may limit the RMP Program's ability to globally diversify an account's assets which may adversely affect short-term account performance.

The annualized Total Account Fee comprised of an advisory fee and Program fee is based on a percentage of assets in the account formula, and, in most cases, will be charged according to the following schedule:

Risk Managed Portfolio Program Fee Schedule:

Account Assets	Advisory Fee	Program Fee	Total Account Fee
First \$500,000	0.75%	0.50%	1.25%
Next \$500,000	0.60%	0.30%	0.90%
Thereafter	0.50%	0.05%	0.55%

The client pays a single asset-based fee to participate in the program called the "Total Account Fee". The Total Account Fee covers services provided by AFM and its chosen Broker/Custodian for your account, including initial portfolio analysis, Investment Policy Statement creation, initial portfolio construction, discretionary investment management, custody, record keeping, market data, research, portfolio management tools, account services, statements, tax statements, special quarterly portfolio review statements, research costs, ongoing investment advisory counseling, annual account review meetings, and ancillary financial planning services described in the firms Schedule F statement. The Program Fee pays for all of the above services except the discretionary investment

management and transaction costs. The advisory fee pays for discretionary investment management.

Additionally, there may be a nominal transaction fee for execution of each trade by brokerage firm. The transaction fee is charged by the brokerage firm and not by AFM. AFM is not compensated by commission or transaction fee. The Brokerage firm is compensated by commission or transaction fee for trade execution services. AFM will seek to minimize transaction costs when possible by using No-transaction fee mutual funds. Transaction fees incurred by a client may be added to your cost basis in non-retirement accounts thereby lowering future taxes.

AFM Total Account Fee is due and payable quarterly, in advance, and is based upon the market value of the client's account assets as determined by the custodian as of the close of business on the last day of the previous calendar quarter. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days remaining in the calendar quarter. Minimum annual Total Account Fee is \$100.00 billed quarterly at \$25.00. Upon termination of advisory agreement, a \$100 service fee per account is assessed for closing each account. The account closing fee covers services and expenses associated with closing an account(s.)

The fees charged will never be based on the capital gains or the capital appreciation of the client's portfolio.

If you have more than one account, then you may request that your accounts be "householded" for purposes of calculating the fee. Accounts with either the same social security number and or address of record may be "householded". In addition, accounts held by immediate family members can be

"householded". In certain circumstances, the advisory fee may be negotiable.

The mutual funds available in the RMP account incur fees and expenses (including investment management and administrative fees) that are in addition to the fees you pay to participate in the RMP account. Mutual Fund fees and expenses are paid to the mutual fund's adviser and not AFM. Those fees and expenses are reflected in performance numbers.

The client should be aware AFM is not paid a commission for purchasing any mutual fund or security for a client's account. There is no incentive for AFM to trade an account to earn commissions. Clients will bear 12-b-1 fees. These 12-b-1 fees come from fund assets and therefore indirectly the client's assets. AFM does not get paid any 12-b-1 fees. All 12-b-1 fees paid by a mutual fund are paid to the Custodian of a client's account.

The RMP Program also manages College America 529 Plan offered by American Funds and College America. The 529 Plan account's market value is subject to the RMP Total Account fee. Advisory fees may be paid by check or deducted from a brokerage account at one of AFM's custodians. All mutual funds will be purchased and sold without incurring commissions or surrender charges. By using Class F shares the client avoids sales charges associated with Class A shares of up to 5.75%. American Funds Class F mutual funds have mutual fund expenses. Please read carefully College America 529 Plan documents to understand all expenses and charges over and above The RMP Program Total Account Fee.

The RMP Program also manages variable annuities offered by Ameritas Direct. The variable annuity sub-account market value is subject to the RMP Total Account fee. Annuity advisory fees may be paid by check or deducted from a brokerage account at one of AFM's

custodians. All variable annuities will be purchased and sold without incurring commissions or surrender charges. Ameritas Direct variable annuities have M&E expenses as well as mutual fund expenses. Please read carefully annuity plan documents to understand all expenses and charges over and above The RMP Program Total Account Fee.

In a RMP account, AFM is authorized to place orders on a discretionary basis for ETFs, load mutual funds at NAV, no-load mutual funds, Class F mutual funds, sub-account mutual funds, and stocks, bonds, notes, Treasury bills, CDs. There may be a transaction or ticket charge assessed to the client by the Brokerage firm. Non-solicited, non-discretionary trades are charged to client. Typically, these are trades placed at a client's special request, and to initially sell securities transferred from client's former investment manager.

The program may cost a client more or less than purchasing such services separately. For example, they may purchase mutual funds and individual securities themselves for less. You may be able to obtain some or all of the types of services available through the program on a stand-alone basis through another firm.

Although account minimums might be higher and so may be the fees. The services may not be the same or of equal quality. AFM Investment Advisers have a financial incentive to recommend the RMP Program. They are compensated based on client assets they have participating in the program.

INVESTMENT MANAGEMENT PROCESS

Methods of Analysis and Investment Strategies

We are "diversified" investors and not short term traders. Our best results are achieved over a market cycle. Generally we invest in securities for

at least one to three years holding period. Clients should expect portfolio adjustments to be made as necessary throughout a cycle to manage risk and returns.

We have a skilled professional portfolio construction process. Portfolio construction is based on modern portfolio theory, basic investment principles, firm investment philosophy, security analysis, and economic/market analysis. Generally, assets are allocated globally among equities, bonds, cash-equivalents, real estate securities, commodities, and precious metals. We believe that the way to achieve optimal results is to build a quality portfolio of mutual funds and individual securities and actively manage the portfolio in an attempt to reduce risk and enhance returns.

We use a research intensive process to build diversified portfolios that we believe are in sync with global market conditions. The process involves a top-down asset allocation approach based on an assessment of global economic and market conditions, cyclical trends of important economic and market fundamentals that influence security valuations, and investment sector fundamentals. We monitor over eighty cyclical factors that impact the performance of securities. These factors encompass monetary policy, economic and market fundamentals (inflation trends, interest rate trends, economic growth, earnings growth, etc.), investor and consumer psychology, and technical indicators. Upon deciding which areas of the global market offer the best risk/value/income/growth proposition, a bottom-up securities selection process is applied to execute our global investment strategy. Securities selection is done by internal and independent portfolio managers.

We do not tactically allocate based on month-to-month swings of the market. One quarter doesn't make a trend. Generally, it takes at

least a couple of quarters for a cyclical economic trend to establish itself.

We do not let short term market fluctuations distract us from managing portfolios to achieve long-term goals. We expect market corrections of ten percent along the way that we ride out. We believe in managing risk through proven techniques, including a diversification among: global markets, capitalization, investment sector, covariance analysis, immunization of bonds, being sensitive to asset class valuation, and limiting investment concentration in a portfolio.

“Time Diversification Theory” states that the longer you hold a diversified portfolio, the lower your odds will be of losing money. As a basic investment principle we stay diversified at all times. However, we do believe in managing portfolio risk even though we are diversified long term investors.

AFM manages risk through active management of portfolios, making tactical adjustments based on economic and current market conditions and in-depth mutual fund and security analysis. AFM risk management attempts to keep portfolios in sync with market conditions, thereby, reducing risk. There are all types of markets-what worked well in the past might not in the future. Therefore we are forward looking and not review mirror investors.

What is pro-actively managed throughout a cycle?

- **Asset Allocation**
- **Country Allocation**
- **Capitalization**
- **Sector Orientation**
- **Credit Quality**
- **Portfolio duration and maturity**
- **Securities selection**

It is important to know that we are not market timers. Studies have shown that it is nearly impossible, even for professional investors, to accurately predict day-to-day market movements over the long term. Over the long run, being “out of the market” on the performing days will dramatically reduce your overall portfolio returns.

Mutual Fund Selection Process

AFM uses a professional fund selection process to execute parts of our investment strategy. In selecting mutual funds for our portfolio, AFM screens funds for: solid rankings within a fund’s peer group, reasonable expenses, experienced management, style consistency, and numerous other factors. Moreover, AFM determines whether a mutual fund is suitable given a particular RMP portfolio objective. Suitability is based on numerous factors including downside risk analysis, covariance, beta analysis, and fundamental analysis.

Individual Securities Selection Process

AFM evaluates stocks in sectors AFM thinks are favored by current economic and market conditions. Our stock universe comprises over 2,800 U.S. stocks. Among many factors, AFM screens for:

- Valuation
- Profitability
- EPS Growth
- Financial health

After using statistical screens to narrow down the stocks to consider, AFM use research to further evaluate stocks from any one of the following independent providers: Standard & Poor’s, Goldman Sachs, Charles Schwab & Co, Inc., and Morningstar Inc.

AFM invest in fixed-income securities we believe are favored by economic and market conditions. AFM evaluates the following fixed-income investment characteristics:

- Credit Quality
- Maturity
- Yield
- Price
- Issuer
- Sector
- Currency
- Economic risk

Investment Supervision

Investment accounts are reviewed at least once a month. Accounts are sometimes reviewed weekly given fundamental changes in market conditions, a change in a particular investment's fundamentals, and or Investment Policy committee decides portfolio adjustments are necessary.

RMP – Program model portfolios are reviewed bi-weekly at the Investment Policy committee meeting. AFM has the capability to monitor RMP-Program portfolio holdings daily via third party monitoring tools that provide updates on fundamentals and research notes.

AFM statistically evaluates for review purposes all funds and securities held in model portfolios quarterly using proprietary screening tools and third party screening tools.

At least once a year or more frequently we participate in a mutual fund conference call with funds in AFM's model portfolios. In lieu of conference calls AFM may obtain conference call slides and notes. In addition, AFM participates in numerous market related calls on a weekly basis. Moreover, AFM's Market Strategist follows breaking news provided by

news wires and Television business news shows throughout each day.

On an ongoing basis, individual securities are reviewed based on updated notes and research from independent sources.

Sources of information

In our top-down macro-economic and market analysis we utilize information provided by numerous private and public economic and market research providers. For instance, we use data provided by the Federal Reserve, Department of Labor, Standard & Poors, Goldman Sachs, Thomson Financial, Charles Schwab & Co., OECD, major asset management firms, and so on. In regards to our bottom-up securities selection process, we subscribe to leading third party mutual fund research providers to select and deselect mutual funds from accounts. We also use independent third party research from multiple sources to evaluate equity and fixed income securities. All together we rely on over forty independent providers of information to assist us in developing an investment strategy for each portfolio strategy we manage.

Investment Policy Committee

AFM investment policy committee meets weekly to review RMP Program portfolio strategies and investments to ensure that they are in sync with current business and market conditions. In addition, we review weekly, monthly, quarterly economic and market reports and current security research. Our Investment Policy Committee is responsible for deciding on appropriate portfolio adjustments that seek to lower overall portfolio risks, increase income, and improve returns when possible.

Education and Business Standards

Below are the biographical backgrounds of AFM's personnel involved in determining or giving investment advice to clients. Such backgrounds are representative of the general standards of education of business experience required of most of AFM's Investment Advisers.

Patrick T. Byrne: DOB, February 15, 1961; Baruch College, B.B.A. (Finance & Investment major), University of Connecticut, M.B.A.; Market Strategist, Aspetuck Financial Management LLC July 2005 to present; Chief Investment Officer Reby Advisory Services, June 2003 to July 2005; Head of Sales, USAA Investment Management Company, September 2002 to March 2003, where he developed a capital markets research report used to advise clients; Director of Fund Advisory Services, Neuberger Berman, August 1990 to December 2001. Prior to that, as an institutional salesperson, he worked closely with portfolio managers at National Funds, an investment company, from 1985-1990. He started working in the securities industry in 1984 in institutional security research sales for Phillips & Drew International, a British Brokerage firm. Patrick has been working in the securities business for twenty four years serving on several Investment Policy Committees. Periodically he is a guest on local T.V. commenting on global market conditions. He passed his Certified Financial Planning exam in 1990, and his Chartered Financial Analyst Level I exam in 2004, and is author of *IPM – Improving Portfolio Management™*.

ACCOUNT ADMINISTRATION, CUSTODIAL, AND BROKERAGE SERVICES

AFM has selected TD Ameritrade, Inc. and Charles Schwab & Co. Inc, to act as its Broker and Custodian for the RMP Program accounts. Brokerage services assists AFM in managing and

administering clients' accounts and provide essential back office functions and staff that allows AFM to focus on advising client assets. In addition, AFM relies on securities offered by Brokerage firm as its universe of investments to invest in the RMP Program. RMP program is restricted to investing in only securities that can be traded and held in custody at client's Brokerage firm.

It's the client's decision to custody assets with either TD Ameritrade, Inc. or Charles Schwab & Co. Inc. AFM is independently owned and operated and not affiliated with either Brokerage firm.

The Custodian in conjunction with Brokerage Firm provides all custodial, clearing services, trade execution, monthly account electronic statement mailings, web based account information services, annual tax reporting, and account record keeping for RMP Program accounts. Custodian maintains custody of all client funds and or securities for a RMP Program account. It's also responsible for crediting all interest and dividends on account assets.

Clients who participate in the RMP Program are therefore directing all trades to be executed and cleared through the Brokerage firm and Custodian AFM has selected.

AFM considers a number of factors in selecting Brokers and Custodians at which to locate its client accounts, including by not limited to breadth of services, scope of available products, transaction cost, execution capability, statements, web-based services, technology, client services, back-office, reputation of firm, size of business, and years in business.

Each client with a RMP Program account will receive confirmation directly from Custodian of every transaction with the Account and monthly

statements directly from Custodian for any month in which there was Account activity. In addition, clients have web access to account information. Client statements will detail positions held, and all account activity during the preceding month. Ameritas Direct will provide monthly statements to clients that have an RMP Annuity account.

Brokerage firm also makes available to AFM other products and services that benefit AFM but may not directly benefit its client accounts. For instance, compliance publications, mutual fund manager conference calls, etc.

TAXES

In managing your account(s) AFM seeks to make trades to minimize losses, preserve gains, enhance portfolio income, and buy investments that in our opinion are likely to perform better in the future. In doing so we may generate taxable gains and income in non-retirement accounts. The tax consequences in managing your accounts are a secondary consideration to our goal of managing risk, and return.

Our philosophy is not to let the tax tail wag the dog. Clients are better off realizing gains when they have them rather than holding on to securities to avoid taxes and risk seeing unrealized gains turn into unrealized losses. Gains are not gains until realized. No one ever went broke from realizing gains.

Clients are responsible for all tax consequences of participating in the RMP Program. The Program invests in mutual funds which typically pay annual distributions to shareholders. These distributions are taxable to clients as shareholders of a mutual fund. Distributions are paid in many forms: interest income, dividends, short-term realized gains, and long-

term realized gains from sale of securities in a mutual fund. In addition, the individual securities held in RMP Program account pay dividends, interest income that may be taxable to a client. Furthermore, the RMP Program may realize short-term as well as long-term gains from the sale of mutual funds and or individual securities. Please see your tax advisor to determine taxes owed, if any. RMP Program's primary objective is generating long term/short term gains and/or maximizing current income. The tax consequences of doing so are only a secondary consideration. AFM will try and minimize taxes when possible by holding securities for at least one year to obtain a favorable long term gain tax rate. Clients may also ask AFM to produce "tax losses" to offset gains, and potential taxes.

PROGRAM RISKS

There is no guarantee that participation in the Aspetuck Financial Management's RMP - Risk Managed Portfolio Program will protect you against loss of investment or meeting your financial objectives.

The performance figures illustrated in the Investment Manager Record represent the model portfolio returns only for the time periods indicated. The performance figures contained herein should be viewed in the context of the various risk/return profiles and asset allocation methodologies utilized by the asset allocation strategists in developing their model portfolios, and should be accompanied or preceded by the model portfolio descriptions for each strategy. These model portfolios do not reflect the actual investment results of any individual client participating in the asset allocation program, but represent the hypothetical performance of the models as initially established and as adjusted from time to time.

Actual accounts may vary from model accounts due to numerous reasons such as fund closures, minor variations in model holdings, minor differences in weightings, entry point into Program, timing of individual investment inflows and outflows, individual restrictions, individual additions, etc. Investments in the mutual funds, individual securities including RMP model portfolios involve the risk of investment losses as well as potential for gain.

Prior performance is no guarantee of future results and there can be no assurance and clients should not assume, that future results will equal past performance. Investments in the mutual funds, individual securities including RMP model portfolios involve the risk of investment losses as well as potential for gain. Short term results may not be indicative of the returns or volatility each model portfolio will generate over a long time period. The performance of the models should also be viewed in the context of the broad market and general economic conditions prevailing during the periods covered by the performance information.

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment, and or investment strategies recommended by AFM's RMP Program will be profitable or equal to past results. Historical performance results for investment indices have been provided for general comparison purposes only, and do not reflect any deduction for fees, expenses, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings do or will correspond directly to any comparative indices or exactly match an RMP Program Model Portfolio holdings.

In general, investments in securities whether through the RMP – Risk Managed Portfolio Program, or directly involves risks. The prices of equity securities rise and fall daily, monthly, quarterly, and annually. Stock prices move in up and down cycles. Price movement may result from factors specific to a company, industries, securities markets, and or investor psychology. Individual companies may report negative news which may cause stock prices to fall for prolong periods. Investors may exhibit overly pessimistic outlook causing stocks to temporarily sell-off.

Investments in Large-Cap, Mid-Cap, and Small-Cap stocks involve risk in which anyone of these types of stocks may suffer periods of underperformance or losses due to business conditions no longer favoring them and or excessive valuations. Generally, Small-cap stocks may experience higher volatility than Mid-cap and Large-cap stocks. Mid-cap stocks may experience higher volatility than Large-cap stocks. Greater risk is associated with higher volatility. Thus, Small-cap stocks are considered riskier than Mid-cap and Large-cap. And Mid-cap is viewed as being riskier than Large-cap.

The volatility of an investment is due to but not limited to, its sensitivity to economic swings, adverse market conditions, industry competition and health, demand for its product(s), the degree of a stock's marketability, and a slew of company operating characteristics (diversity of product lines, reliability of earnings, profitability, firm's financial condition, etc.). In general, a Small-Cap stock firm's operating characteristics (one product, more volatile earnings, smaller customer base, lower quality financial statements, smaller market for its products and stock) make them more susceptible to economic cycles and down markets. In general, certain larger size firms are less likely to be affected by economic swings and adverse market conditions because they might have

globally diversified product lines, brands that help keep sales steady, multiple products that generate a reliable earnings stream, healthier balance sheets, and profit margins.

In general, International stocks may experience higher volatility than US stocks and carry special risks. Usually foreign companies in developing markets are considered lower quality companies based on earnings reliability, profitability ratios, and financial condition and management. In addition, they may operate in less stable economy. Foreign securities have currency risk too. This is the risk that the currency in which a foreign security is dominated in drops in value. A US Investor may experience losses in investment value when the foreign security is sold and the sale proceeds in foreign currency is converted into US dollars. A country's currency may weaken when its economy falters, and or as inflation picks-up. Geopolitical risk is also greater risk factor in foreign markets. There is a greater chance of a country experiencing the following events: internal political troubles, financial problems, securities market volatility, expropriation of assets, etc.

Fixed Income Risks

The principal risks associated with investing in fixed-income securities are purchasing power risk, re-investment risk, interest rate risk, and credit risk. Purchasing power risk occurs when the yield from your bond investment approximates the inflation rate. Overtime, the income you receive after inflation and taxes purchases fewer goods and services. Reinvestment risk occurs when the CD or Bond you own matures and available bond yields are lower at that time. Income investors sustain a loss in income by investing in lower yielding bonds. Interest rate risk can cause a bond to lose value. Bond prices have an inverse relationship with interest rates. As interest

rates rise, bond prices in the secondary, market fall. The opposite occurs when interest rates fall. Thus, investing in bonds in a rising interest rate environment could result in losses if you sell your bonds that were bought when interest rates were lower. Credit quality risk occurs when a company's credit rating is downgraded. Any time a company's credit rating is downgraded, the prices of the bonds it issued drops in value. The greater risk is that the company may go into bankruptcy and default on interest and principal payment.

Management Risk

This is the risk that a Mutual Fund Portfolio Manager and or AFM's Portfolio Manager, Market Strategist, has poorly selected securities for your mutual fund or account, and thereby either underperforms its appropriate benchmark or produce negative returns.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corp. or any other government agency. Although a money market fund seeks to preserve the value of your investments at \$1.00 per share, it is possible to lose money by investing in the fund.

OTHER BUSINESS ACTIVITY

AFM may also provide ancillary financial planning advice upon special request only by clients. AFM provides advice as needed for a client. Financial planning advice encompasses but not limited to the following subject matters: insurance, investment management, limited tax management, estate planning, retirement planning, college planning, and debt management, stock options planning, pension distribution decisions, tax efficient retirement plan distributions analysis, Small Business retirement plan selection, etc. AFM spends

approximately five percent of its time on financial planning services.

TERMINATION OF PARTICIPATION IN PROGRAM

The advisory services agreement may be terminated upon written notice by either party. If termination occurs prior to the end of the quarter, the fee will be prorated in an amount equal to the portion of the fee attributable to the un-provided services. There is a \$100.00 per account termination fee that covers operational costs associated with closing an account.

PRIVACY POLICY

AFM has always been committed to maintaining the confidentiality, integrity and security of personal information about our current and prospective clients. We treat all information in a confidential manner. Information we collect is in connection with developing an investment policy statement, set-up appropriate accounts, and purchase suitable securities. Our privacy policy and procedures comply with applicable laws. Our employees are required to protect the confidentiality of information and only have access to information they need to assist in servicing your investment account. AFM and our Custodians maintain physical, electronic and procedural safeguards to protect information. With your permission, we may disclose information to other professionals involved with financial management duties such as accountants and attorneys. Information may also be disclosed to financial intermediaries to assist in the processing of a transaction and execution of your investment management. Information may also be disclosed for an audit or when it's required by law. We would only disclose your name and information to another party with your knowledge and consent.

As a Registered Investment Adviser we have a fiduciary duty to act in the best interests of our clients at all times.

It's our mission to offer the best value and service in the community. Compare us to what you are presently doing. We think you'll see a big difference between "us" the "rest".

We believe the RMP – Risk Managed Portfolio Program™ offers investors solid value in the form of skilled experienced investment management at reasonable costs. Our highly structured process has been developed over many market cycles of investing; and includes best business investment management practices as well as Nobel prize-winning investment management concepts.

We invite you to give us a call to explore your goals. Let's see how we can help you accomplish them. We can also review your current investment holdings, and most likely recommend ways to improve your portfolio's performance.

FOR MORE INFORMATION CONTACT US AT:

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