

APFS Wealth Management, Inc. Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of APFS Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (585) 348-9525 or by email at: rbartolotta@teamapfs.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 APFS Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. APFS Wealth Management, Inc.'s CRD number is: 158964

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

APFS Wealth Management, Inc has no material changes to report since the previous Annual ADV Amendment filed on March 14, 2014.

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Item 4: Services Fees and Compensation

APFS Wealth Management, Inc. (hereinafter “APFS Wealth”) offers the following services to advisory clients:

A. Description of Services

APFS Wealth participates in and sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows APFS Wealth to manage client accounts for a single fee that includes portfolio management services and custodial costs. The fees are payable quarterly in advance and the final schedule for this program is represented below:

Total Assets Under Management	Annual Fee
\$25,000 - \$500,000	2.50%
\$500,001 - \$2,000,000	2.25%
Above \$2,000,000	2.00%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. APFS Wealth uses the last day of previous quarter for purposes of determining the market value of the assets upon which the advisory fee is based. Fees are paid quarterly in advance. Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days’ written notice.

Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the quarter up to and including the day of termination. (*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client’s accounts with client written authorization or instead may be invoiced to the client.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the client’s account.

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as custodian fees and mutual fund fees.

D. Compensation of Client Participation

Other than its advisory fees, neither APFS Wealth nor its representatives receive any additional compensation for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, APFS Wealth may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

APFS Wealth generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

Minimum Account Size

There is an account minimum of \$25,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

APFS Wealth will not select any outside portfolio managers for management of this wrap fee program. APFS will be the sole portfolio manager for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

APFS Wealth will use industry standards to calculate portfolio manager performance.

2. Review of Performance Information

APFS Wealth reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed annually using Abridge Solutions software.

B. Related Persons

No related persons act as a portfolio manager for the wrap fee program described in this brochure, as APFS Wealth itself is the portfolio manager. As such, there are no conflicts of interest with related persons and APFS Wealth will not select any related persons as portfolio managers for this wrap fee program.

C. Advisory Business

APFS Wealth offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above.

Investment Supervisory Services

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

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

APFS Wealth evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

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

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

Services Limited to Specific Types of Investments

APFS Wealth generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities and government securities. APFS Wealth may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

APFS Wealth offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent APFS Wealth from properly servicing the client account, or if the restrictions would require APFS Wealth to deviate from its standard suite of services, APFS Wealth reserves the right to end the relationship.

Wrap Fee Programs

APFS Wealth participates in wrap fee programs; which is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. APFS Wealth may manage wrap fee accounts differently than non-wrap fee accounts based on the individual client's objectives and restrictions, if any. The advisory fees paid to the wrap account program will be given to APFS Wealth as a management fee.

Amounts Under Management

APFS Wealth has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$214,272,184.00	\$84,709,926.00	2/20/2015

Methods of Analysis and Investment Strategies

Methods of Analysis

APFS Wealth's methods of analysis include fundamental analysis, cyclical analysis, and technical analysis.

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

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

Technical analysis involves the analysis of statistics generated by market activity to identify patterns.

Investment Strategies

APFS Wealth uses long term trading, short term trading, and options writing (including covered options, uncovered options, or spreading strategies).

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

Material Risks Involved

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

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

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

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

Risks of Specific Securities Utilized

APFS Wealth generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize options writing. Options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

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

Short term trading risks include liquidity, economic stability and inflation.

Options writing involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

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

Voting Client Proxies

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

Item 7: Client Information Provided to Portfolio Managers

APFS Wealth is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by APFS Wealth. As that information changes and is updated, APFS Wealth will have immediate access to that information once collected.

Item 8: Client Contact with Portfolio Managers

APFS Wealth places no restrictions on client ability to contact the portfolio manager. Contact information is on the cover page of this brochure.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Representatives of APFS Wealth may also be registered representatives of American Portfolios Financial Services, Inc.

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

Neither APFS Wealth nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Representatives of APFS Wealth may also be registered representatives of American Portfolios Financial Services, Inc. and investment advisor representatives of American Portfolios Advisors, Inc. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. APFS Wealth always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required utilize the services of any representative of APFS in their outside capacities.

Robert J. Bartolotta is a licensed insurance agent. Robert J. Bartolotta is also a senior managing partner of American Portfolios and co-owner of Nation Pay, a non-investment related payroll company. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. APFS Wealth always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way

required utilize the services of any representative of APFS Wealth in their outside capacities.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

APFS Wealth does not utilize nor select other advisors or third party managers for its wrap fee program. All assets are managed by APFS Wealth.

B. Code of Ethics, Client Referrals and Financial Information

Code of Ethics

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

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of APFS Wealth may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of APFS Wealth to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. APFS Wealth will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Robert J. Bartolotta, President. Robert J. Bartolotta is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at APFS Wealth are assigned to this reviewer.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

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

Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

APFS Wealth does not receive any economic benefit, directly or indirectly from any third party for advice rendered to APFS Wealth wrap fee program accounts.

Compensation to Non – Advisory Personnel for Client Referrals

APFS Wealth may compensate non-advisory personnel for client referrals. Please review the APFS Wealth solicitor disclosure for more information.

Balance Sheet

APFS Wealth does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither APFS Wealth nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

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