



ARGOSY WEALTH MANAGEMENT

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Form ADV, Part 2A Brochure

March 27, 2017

This brochure provides information about the qualifications and business practices of Argosy Wealth Management Corporation. If you have any questions about the contents of this brochure, please contact us at (424) 212-4949 mkaron@argosywm.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.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Argosy Wealth Management Corporation or any person associated with Argosy Wealth Management Corporation has achieved a certain level of skill or training.

Additional information about Argosy Wealth Management Corporation is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised March 27, 2017

The purpose of this page is to inform you of material changes since the previous annual update to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

We review and update this brochure at least annually to confirm that it remains current. We have not made any material changes since our last annual update, dated March 23, 2016.

ITEM 3 - TABLE OF CONTENTS

ITEM 1 - COVER PAGE.....	1
ITEM 2 - MATERIAL CHANGES.....	2
ITEM 3 - TABLE OF CONTENTS.....	3
ITEM 4 - ADVISORY BUSINESS.....	6
Description of Advisory Firm	6
Advisory Services Offered.....	6
Investment Management.....	6
Financial Planning Services.....	7
Consulting/Other Services.....	8
Limitations on Investments.....	8
Non-Managed Assets	9
Tailored Services and Client Imposed Restrictions.....	9
Assets Under Management	10
ITEM 5 - FEES AND COMPENSATION	10
Fee Schedule.....	10
The Argosy Portfolios	10
Fixed Fees	11
Billing Method	11
Investment Management Services.....	11
Other Fees and Expenses.....	12
Termination	12
Investment Management Services.....	12
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	13
ITEM 7 - TYPES OF CLIENTS	13
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	14
Methods of Analysis and Investment Strategies	14
Investment Management.....	14
Our Investment Philosophy.....	14
Our Approach to Portfolio Construction	14

Individual Investment Selection	15
Monitoring and Changes	16
Investing Involves Risk	17
Specific Security Risks	18
General Risks of Owning Securities	18
Financial Planning	18
ITEM 9 - DISCIPLINARY INFORMATION.....	18
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	19
Registered Representative of Unaffiliated Broker-Dealer/Adviser	19
Agent/Broker of Unaffiliated Insurance Agency.....	19
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	20
Code of Ethics	20
Personal Trading Practices	20
ITEM 12 - BROKERAGE PRACTICES	21
Factors Considered in Selecting Broker-Dealers for Client Transactions	21
Research and Other Benefits	21
Directed Brokerage Transactions	22
ITEM 13 - REVIEW OF ACCOUNTS.....	23
Managed Account Reviews	23
Financial Plan Reviews.....	23
Account Reporting	23
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....	23
Fidelity Support Products and Services	23
Due Diligence Expenses	24
Outside Compensation	24
ITEM 15 - CUSTODY	24
ITEM 16 - INVESTMENT DISCRETION	25
Non-Discretionary.....	25
Discretionary Management.....	25
ITEM 17 - VOTING CLIENT SECURITIES.....	25
Proxy Voting.....	25

Class Actions	26
ITEM 18 - FINANCIAL INFORMATION	26

ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Argosy Wealth Management Corporation (“Argosy,” “we,” “our,” or “us”) is a privately owned Corporation headquartered in Los Angeles, California. Argosy is registered as an investment adviser with the U.S. Securities and Exchange Commission.

In April 2010 Alex Kimura and Michael Karon founded Argosy Wealth Management Corporation and each is a principal owner of 25% or more of the company. In March 2015, Argosy started operating as an investment adviser registered with the U.S. Securities and Exchange Commission.

Advisory Services Offered

Argosy offers the following services to advisory clients:

Investment Management

Argosy provides continuous and regular investment supervisory services on a discretionary as well as non-discretionary basis. Mr. Kimura and Mr. Karon work with clients and have the ongoing responsibility to select (discretionary) and/or make recommendations of (non-discretionary) the securities to be purchased, based upon the objectives of the client, as to specific securities or other investments that they purchase or sell in client portfolios.

Argosy primarily recommends and utilizes Mutual Funds and Exchange Traded Funds (ETFs) for client accounts, although it is possible that the following security types might also be recommended or utilized in client accounts depending on individual investment objectives:

1. Equity securities, such as stocks and foreign securities listed on US exchanges (ADRs) and/or foreign exchanges (ordinaries)
2. Fixed income securities, such as corporate bonds, commercial paper, and certificates of deposit (CDs)
3. Securities with equity and debt characteristics, including convertible bonds, preferred stocks or other preferred securities
4. Municipal securities
5. U.S. government securities
6. Exchange traded notes (ETNs)
7. Closed-end funds
8. Money market funds and cash
9. Insurance products, including variable annuities and variable life insurance
10. Options contracts on securities, such as protective put options and covered call options
11. Managed futures accounts
12. Real estate investment trusts (REITs)

Argosy may also occasionally offer advice regarding additional types of investments if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry. Argosy may offer investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks for many of the securities that we recommend under the heading ***Specific Security Risks*** in ***Item 8*** below. We discuss our discretionary authority below under ***Item 16 - Investment Discretion***. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this item below. We describe the fees charge for investment management services below under ***Item 5 - Fees and Compensation***.

Financial Planning Services

Argosy offers a range of financial planning services, individualized to the needs of clients.

Argosy collects information about the client's financial situation and needs, which may include: net worth, income, expenses, taxes, investments, retirement plans, life insurance, disability insurance, health insurance, long term care insurance, business agreements, divorce papers, pre-nuptial agreements, estate documents, and any other documents that pertain to their overall financial picture. In addition, Argosy asks the client about their future goals and objectives. Argosy then develops a personalized plan including specific recommendations in all applicable areas. Typically, we develop the plan with the client over several in-person meetings.

Argosy may also work with the client to provide advice regarding a particular aspect of the client's financial situation. Areas of focus might include:

1. Preparing for or living in retirement
2. Investment strategies
3. Estate planning strategies
4. Income tax planning
5. Stock option analysis and planning
6. Insurance: life, disability, medical, long-term care insurance
7. Family savings and cash flow planning
8. Education planning and funding
9. Charitable gifting
10. Debt management
11. Employee benefit usage
12. Estate Settlement
13. Strategies for handling concentrated stock positions
14. Business advice
15. Working with other client advisors such as tax or legal professionals
16. Client directed requests

We do not prepare income tax, gift, or estate tax returns or legal documents, including wills or trusts.

We describe fees charged for financial planning services below under ***Item 5 - Fees and Compensation***.

Consulting/Other Services

Argosy offers other financial consulting services as requested by the client. Consulting services may be offered for a limited-term, specific need, or on an ongoing basis.

In addition to general consulting services, you may receive advice on your retirement accounts that fall under the Employee Retirement Income Security Act (ERISA) and that are held with other firms. An example of this type of account is an employer-sponsored 401(k) plan. In this scenario, your advisor will act as an ERISA 3(21) fiduciary and be bound by the general principles of fiduciary duty (place the best interest of the client first, etc.) as well as the specific provisions found within ERISA.

After appropriate fact-finding, analysis and consideration, your advisor will provide recommendations and advice tailored to your specific goals, objectives and situation. You are under no obligation to implement the advice. If the advice entails recommendations that could benefit Argosy, any potential conflicts of interest will be disclosed at that time.

We describe the fees charged for consulting services below under ***Item 5 - Fees and Compensation***.

Limitations on Investments

In some circumstances, Argosy's advice may be limited to certain types of securities.

Limitation by Plan Sponsor/Employer

In the event Argosy is managing assets within a retirement plan such as 401(k), 403(b), or other employer plan, Argosy is limited to those investment providers and investment options chosen by the plan administrator. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options. Therefore, Argosy can only select investments/make recommendations to the client from among the available options, and will not recommend or invest the client's account in other securities, even if there may be more suitable options elsewhere.

Limitation by Issuer

In the event Argosy is managing assets within a variable annuity, Argosy is limited to those investment options made available by the insurance company. Further, limitations on frequency of trading will vary according to each sub-account's restrictions.

Limitation by Type of Security

Limitation on Equities

Argosy does not generally invest in individual equity securities. However, we do hold individual positions as an accommodation to clients. Argosy does not monitor or provide advice pertaining to any client-directed position held as an accommodation. We will generally only transact in individual equities when selling existing holdings of new accounts and/or at the client's request.

Limitation on Fixed Income

Argosy primarily utilizes debt-related ETFs and mutual funds. We typically do not conduct individual fixed income securities transactions except when liquidating existing positions in new client accounts. On occasion, we may hold individual fixed-income securities contained in new accounts. The holding period may be temporary or until maturity based on the individual needs of the client.

No Load Mutual Funds

Argosy generally limits recommendations of mutual funds to no load funds or load-waived equivalents.

Limitation by Custodian

There may also be limitations on the mutual funds that we recommend. All clients establish brokerage accounts with Fidelity Institutional Wealth Services, a division of Fidelity Brokerage Services, Inc. ("Fidelity"), registered broker-dealer, Member SIPC. Argosy is limited to the mutual funds available through Fidelity.

Limitation by Client

Argosy may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this Item below.

Non-Managed Assets

With respect to investment management services, Argosy is only responsible for the supervision and management of securities we recommend. Argosy will not be responsible for the supervision or management of non-managed assets. Non-managed assets may include securities held in a client's account that is under management with Argosy that were:

1. Delivered into the account by the client;
2. Purchased by the client;
3. Purchased by Argosy at the request of the client as an accommodation; or
4. Designated by the client to be non-managed securities by written notification.

Tailored Services and Client Imposed Restrictions

Argosy manages client accounts based on the investment strategy the client chooses, as discussed below under ***Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss***. Argosy applies the selected strategy for each client, based on the client's individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our recommendations/investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep Argosy informed of any changes to their investment objectives or restrictions.

Clients may also request other restrictions on the account, such as when a client needs to keep a minimum level of cash in the account or does not want Argosy to buy or sell certain specific securities or

security types in the account. Argosy reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

Assets Under Management

Argosy manages client assets in both discretionary and non-discretionary accounts on a continuous and regular basis. As of March 6, 2017 the total amount of our assets under management was \$163,480,087; of which all assets are managed on a discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Fee Schedule

The Argosy Portfolios

Argosy charges advisory fees for investment management services. Argosy's advisory fees are charged based on a percentage of the market value of the portfolio / client's total assets under management, per the following schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
First \$0 - \$250,000	1.25%
Next \$250,001 - \$500,000	1.25%
Next \$500,001 - \$1,000,000	1.00%
Next \$1,000,001 - \$2,500,000	0.75%
Next \$2,500,001 - \$5,000,000	0.65%
\$5,000,001 +	0.45%

Some accounts may be under different fee schedules honoring prior agreements. Our standard fee schedule may be negotiable based on a number of factors, which include but are not limited to "grandfathered" accounts, related accounts, and other structures that we may consider in special situations. Argosy may aggregate client accounts that have family relationships with each other for purposes of calculating the advisory fee rate applicable to each client. We also manage some family and related accounts without charge. Argosy may offer investment advisory services on a pro-bono basis. At our discretion, we may make pro-rations for additions or withdrawals greater than \$10,000 during a quarter. The client's quarterly fee calculation will reflect any pro-rated additions and/or reductions.

Financial Planning/Hourly/Consulting Services

At a client's request, Argosy may offer financial planning/consulting services at an hourly rate of \$350.00, which may be negotiable depending on the nature and complexity of each client's circumstances. In these instances, we will provide an estimate of the total hours required at the start of the relationship. Argosy may also provide services at a reduced rate or free of charge for certain clients (such as family members).

Fixed Fees

In some circumstances, Argosy may provide evaluations of individual client financial circumstances for a mutually agreed upon fixed fee.

Billing Method

Investment Management Services

Argosy's advisory fees are payable quarterly in advance at the beginning of each calendar quarter. We charge one fourth of the annual fee rate each quarter based on the market value of the client's portfolio as of the last day of the prior calendar quarter, adjusted for contributions and withdrawals of \$10,000 or more made during the prior quarter. The formula used for the calculation is as follows: $(\text{Annual Rate}/365) \times (\text{Total Assets Under Management at Quarter-End}) \times (\text{Number of Days in the next Calendar Quarter})$.

For new client accounts, the first payment is a pro-rata calculation due upon execution of the advisory agreement that takes into consideration the number of days remaining in the quarter and the market value of the portfolio on day 1. The formula used to calculate the initial advisory fee would be as follows: $(\text{Result of Quarterly Calculation}) \times (\text{Days Remaining in Quarter}) / (\text{Total Number of Days in Quarter})$. For advisory fee calculation purposes, a calendar quarter is a period beginning on January 1, April 1, July 1, or October 1 and ending on the day before the next quarter. A day is any calendar day including weekends and holidays. For new accounts, the number of days remaining in the quarter is the number of calendar days following the funding date of the new account.

Valuations are provided to Argosy from the underlying custodian by direct download from the custodian and/or client statements. In the event a security is not priced by the client's custodian or Argosy believes that the custodian's price does not adequately represent investment value, we may obtain a price from the issuer of the security or other independent third-party or otherwise take steps to "fair value" the security, in accordance with Argosy's internal valuation procedures.

Clients authorize Argosy to automatically withdraw Argosy's advisory fee from the client's account held by an independent custodian or from the client's checking account. Typically, the custodian withdraws advisory fees from the client's account during the first month of each quarter based on Argosy's instruction. All clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account.

Argosy will send a fee statement to all clients who choose not to have advisory fees withdrawn directly from their custodian account and will automatically debit a checking account pre-authorized by the client.

Not less than quarterly, Argosy will provide a fee statement to clients showing the amount of the fee, the value of the client's assets upon which we based the fee, and the specific manner in which we

calculated the fee. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Hourly/Consulting/Fixed/Financial Planning Services

On a quarterly, semi-annual or annual basis, you will receive an invoice from Argosy. The invoice will describe the services that were provided and the cost of the service. Fees will be invoiced in arrears.

Other Fees and Expenses

Argosy's fees do not include custodian fees. Clients pay all transaction costs, stock transfer fees, margin charges, foreign exchange and settlement fees, and/or other charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees clients pay to Argosy. Argosy does not receive any compensation from these charges. Certain clients, honoring prior agreements, do not separately pay custodian or transactions costs. Instead, such costs are included in Argosy's advisory fee and Argosy is responsible for those costs. Such arrangements are no longer offered.

In addition, mutual fund shares held in a client's account may be subject to deferred sales charges, 12b-1 fees, early redemption fees, and other fund-related expenses. Each fund's prospectus fully describes the fees and expenses. All fees paid to Argosy for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares. Consequently, clients with mutual funds in their portfolios are effectively paying both Argosy and the mutual fund manager for the management of their assets.

A client could invest in some mutual funds and ETFs we recommend directly, without using our services. In that case, the client would not receive the services we provide, which include assisting the client in determining which mutual fund or funds we feel are most appropriate to each client's financial condition and objectives. Accordingly, clients should review both the fees charged by the funds and the advisory fees we charge to understand the total amount of fees the client will pay and evaluate the advisory services we provide accordingly.

See **Item 12 - Brokerage Practices** below for more information on the factors that Argosy considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Termination

Investment Management Services

Argosy provides its service to clients through a written services agreement. Either party may terminate the agreement upon thirty (30) days written notice to the other party. The client may terminate the agreement by writing to Argosy at our office.

Argosy will refund any prepaid, unearned advisory fees based on the effective date of termination, using the following formula: $(Fees\ Paid) \times (Days\ Remaining\ in\ Quarter) / (Total\ Number\ of\ Days\ in\ Quarter)$.

Terminations will not affect liabilities or obligations from transactions initiated in client accounts prior to termination. In the event the client terminates the investment advisory agreement, Argosy will not liquidate any securities in the account unless instructed by the client to do so. In the event of client's death or disability, Argosy will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party. Our ongoing management and/or ability to effect transactions in a client's account(s) may be limited by restrictions placed on accounts by the client's broker/custodian.

When we enter into an agreement to provide financial planning services, Argosy considers our services to be complete, and the agreement terminated upon delivery of a written financial plan. In the event that either the client or Argosy wishes to terminate the financial planning agreement before completion of the plan, either party may terminate the agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time by writing Argosy at our office.

Argosy provides planning services for investment management clients on an ongoing basis as part of the investment management process.

Upon notice of termination, Argosy will provide the client with an invoice for services provided through the date of termination. If the client paid fees in advance that were more than the amount due for services, Argosy will refund any unearned fees.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Argosy does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

ITEM 7 - TYPES OF CLIENTS

Argosy provides discretionary and/or non-discretionary investment advisory and financial planning services to individuals, high net worth individuals, trusts and estates, corporate retirement plans and individual participants of retirement plans.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Investment Management

Argosy manages investments using a systematic approach which is based on financial theory and industry best practices and informed by both quantitative and qualitative factors.

Our Investment Philosophy

Our investment philosophy is guided by four governing principles:

- Markets work (capital markets generally do a good job of fairly pricing available information and future expectations about publicly traded securities.)
- Diversification is key (comprehensive, global asset allocation helps manage the risk associated with individual securities.)
- Risk and return are related (taking on risk has the potential to earn greater returns.)
- Portfolio structure explains performance (the asset classes included in a portfolio and their associated risk levels are responsible for the variability of returns.)

Our Approach to Portfolio Construction

The four governing principles of our investment philosophy have important implications for how we construct portfolios:

- It is very difficult to consistently add value through individual security selection or market timing
- Portfolio and management costs matter
- The probability of achieving target returns is improved by constructing globally diversified portfolios
- Stocks tend to have higher expected returns than fixed income over time
- Small company stocks tend to have higher expected returns than large company stocks over time
- Lower priced “value” stocks tend to have higher expected returns than higher priced “growth” stocks over time
- Daily liquidity matters

Our approach to constructing a portfolio is comprised of four steps:

- Determine the required rate of return
- Choose an overall stock/bond allocation target
- Determine individual asset class weights
- Choose individual investments to make up the portfolio

We start with a client discussion about the goals we are trying to achieve. Typically, we quantify spending and savings goals and an assumption about the required rate of return necessary to achieve them in the form of a documented financial plan, including multiyear models showing projected results. In addition, we collect information from our clients in order to understand risk tolerance (how market price variability makes you feel) and risk capacity (how much investment loss you are able to sustain.)

Our investment approach is sensitive to where we are in the time horizon of the financial plan. For example, as we approach the time for beginning retirement distributions, we need to adjust the investment strategy to both fund the required distribution amount and still allow for enough growth to achieve the overall plan return.

Once we establish an investment return target and an understanding of client attitudes about risk, we match these to one or more overall stock/bond allocation targets which we believe have the highest likelihood of achieving the rate of return objective. High likelihood is generally determined based on both quantitative modeling (of historical performance and expected returns) and qualitative factors (judgments about the future such as economic growth rates and fair valuation.) We base our analyses on published data from major institutional research sources such as Morningstar, Vanguard, Dimensional Fund Advisors, Fidelity, The Center for Research in Security Prices and PIMCO.

After we establish the overall stock/bond allocation, we further deconstruct the allocation into individual asset classes. Some examples of asset classes we use include U.S. Small Companies, Foreign (non-U.S.) Value Companies, Short-Term U.S. Government Securities, Intermediate-Term California Municipal Bond and so on. An individual portfolio usually has 8-15 asset classes represented. Specific weightings for each asset class is based on a similar analysis as described above.

Finally, once we determine the weightings for each asset class, we are able to select individual investments to make up the portfolio.

Individual Investment Selection

Once we have chosen the allocation targets for each asset class, we select the individual investments, typically mutual funds or exchange-traded funds, to include in the portfolio.

Our investment selection process is as follows:

- Identify the universe of possible funds for each asset class

- Analyze each fund's performance against a peer group
- Select the best fit funds
- Optimize the portfolio allocation

We identify possible funds for each asset class by starting with the universe of funds open to our clients. This is typically a set of several thousand funds. We then create a set of quantitative (mostly performance and cost related) factors and narrow the list. For actively managed funds, we look at fund performance during different market periods, including how well the manager performed relative to his or her peers and whether the same strategy was used. For passive funds, we look at how close the funds track to their stated benchmark during different parts of the market cycle.

Following this, we apply a set of qualitative (mostly manager experience, investment approach and strategy related) filters to reduce the set to what we believe are the top one or two funds in each asset class. We often are able to complete additional due diligence on each fund by contacting the fund company in order to clarify questions we have about how each fund operates.

Once we come up with a list of funds which best fit our selection criteria, we run analysis using historical market data to tune the overall allocation. Usually we include 8-15 funds in a final portfolio allocation.

Consistent with the implications of our four guiding principles, individual investments chosen for our portfolios share the following common characteristics:

- We generally use mutual funds and exchange-traded funds, rather than individual securities
- We only include funds with a clearly defined performance benchmark and investment strategy
- We usually pick funds which have an operating expense ratio below the mean operating expense ratio for similar funds and we use institutional share classes where possible
- We tend to use passively managed funds when we are trying to replicate the performance of an asset class
- We tend to use actively managed funds when we believe the manager has specific expertise that provides an informational edge
- We require daily liquidity

Monitoring and Changes

Once we have selected the individual funds for each portfolio, we identify a target benchmark for each asset class. Usually this benchmark is a publicly available index such as the S&P 500 or Russell 2000 or Barclay's US Aggregate Bond Index. We then monitor the performance of the funds comprising that asset class against the benchmark. In general, we expect the investments for each asset class to track

their respective benchmarks. Over time, if each asset class meets its benchmark, there is an increased probability that we will achieve the overall portfolio return target.

We continuously monitor the performance of each portfolio in an attempt to achieve the return targets for each client. Because our allocations are strategic, we generally don't make allocation changes more than once or twice a year.

Finally, we revisit the key planning assumptions in the financial plan on at least an annual basis in order to identify opportunities to increase the probability of achieving the plan goals.

We do make changes to portfolio allocations under the following circumstances:

- Portfolio drift (one or more asset classes performs much better or much worse, causing the actual stock/bond allocation to shift from its target by more than an acceptable tolerance)
- Special opportunities (ability to minimize potential income tax exposure or major changes in valuation of individual asset classes)
- Changes in the fund's line-up (funds close to new investors or change their strategy or we find a better fund for the asset class)
- Strategic change (client circumstances or financial plan assumptions change, necessitating a different stock/bond allocation)

Investing Involves Risk

Investing in securities always involves the risk that you will lose money. Before investing in the securities markets, clients should be prepared to bear that risk. Over time, a client's account value will fluctuate. At any time, your assets may be worth more or less than the amount you invested. As with any investment strategy, there is no guarantee that our strategies will be successful. Argosy makes no guarantees or promises that our market analysis will be accurate or the investment strategies we use will be successful.

Argosy exercises our discretionary authority to invest in securities that we believe are appropriate for the client, based on our understanding of the client's risk tolerance and investment objectives, when we have been granted such authority. We have generally summarized below what we feel are relevant risks broadly relating to the types of securities we primarily invest in for client accounts; however, securities may be subject to additional risks that are specific to that security or issuer, and we cannot and do not attempt to cover all risks that clients may be exposed to within their portfolios. Clients are strongly encouraged to review the prospectus disclosures and offering documents relating to the securities held in their portfolios if they have any questions, as these documents discuss in more detail the risks relating to the particular product. These documents are provided to the client by the client's custodian/broker. Clients with questions regarding a particular security should contact Argosy or the custodian/broker.

Specific Security Risks

General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

Financial Planning

The financial planning tools Argosy uses to create financial plans for clients rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use estimates of future returns of asset classes, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide Argosy and the client in developing an appropriate plan, and we cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the program's underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

We do not recommend individual securities to clients. However, we may make a general recommendation in the financial plan about investing a portion of your financial assets in securities. If the financial plan includes recommendations for investing in securities, you should understand that investing in securities involves risk of loss, and you should be prepared to bear that risk.

ITEM 9 - DISCIPLINARY INFORMATION

Argosy and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Argosy does not have any disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered Representative of Unaffiliated Broker-Dealer/Adviser

Associated Persons of Argosy are also registered securities representatives and investment advisory representatives of Cetera Advisor Networks LLC ("Cetera"), a non-affiliated dually registered broker-dealer and investment advisory firm and a member of the Financial Industry Regulation Authority ("FINRA"). Each Associated Person spends approximately 15% of their time in providing services to clients of Cetera. These Associated Persons also receive compensation, commissions and/or trailing 12b-1 fees from Cetera for services provided to Cetera's brokerage and/or investment advisory clients. Should clients implement recommendations through registered representatives of Cetera, the representatives may receive commissions or other transaction-based compensation in addition to the advisory fees Argosy receives. This presents a conflict of interest because the Associated Person may have an incentive to recommend Cetera for executing securities transactions or securities for which they receive additional compensation. Commissions paid through Cetera may be higher or lower than at other broker-dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at Cetera than at other broker-dealers. Mr. Kimura and Mr. Karon have a minimum production requirement at Cetera which could influence decisions to recommend Cetera; however, when recommending commissionable products to advisory clients, we have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether we are receiving a commission on the product. Clients are under no obligation to act on any recommendations of these individuals or place any transactions through them or through Cetera if they decide to follow their recommendations.

Agent/Broker of Unaffiliated Insurance Agency

Alex Kimura and Michael Karon are licensed as insurance agents, offering health, life, and variable life/variable annuity insurance products. While Argosy does not receive any commissions for insurance recommendations, these agents receive commissions on the sale of insurance products. This presents a conflict of interest because Argosy/these agents may have an incentive to recommend insurance products as a result of the commission. When recommending commissionable products to advisory clients, we have a fiduciary duty to recommend products that are in the best interest of the client regardless of whether we are receiving a commission on the product., Argosy will fully disclose any insurance commissions to the client. The insurance commissions are separate from and in addition to any fees that Argosy receives for advisory/financial planning services. Clients are under no obligation to act on any insurance recommendations or place any transactions through these insurance agents if they decide to follow their recommendations.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Argosy believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Argosy has adopted a Code of Ethics that emphasizes the high standards of conduct that Argosy seeks to observe. Argosy's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Argosy's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Argosy's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable state and federal securities laws. Additionally, individuals who formulate investment advice for clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities (all considered "Access Persons"), are subject to personal trading policies governed by the Code of Ethics (see below).

Argosy will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Personal Trading Practices

Argosy or our personnel may place trades for our own accounts. The securities we trade in may be the same securities we recommend to clients, or they may be different securities that we do not feel are appropriate for clients. A conflict of interest could arise when Argosy or our personnel trade in the same securities as clients. For example, we could have an incentive to purchase a security in our own account before recommending the security to a client, hoping that when the client traded, the price of the security would go up and we would benefit.

Due to the types of securities we trade for clients (primarily mutual funds and ETFs) and due to the small size of trades placed for clients compared with the large volume traded in those securities each day, we do not believe that client trades could realistically move the price of a security and enable us to benefit from client trades. We place trades for our own accounts independently of decisions to trade for clients. Because the price of securities fluctuates during the day (other than mutual funds), we could trade in a security on the same day as a client and receive a better or worse price than the client does. For mutual funds, if we traded on the same day as clients, we would receive the same price, since mutual funds do not trade but are issued and redeemed once daily at the fund's net asset value ("NAV"). As a fiduciary to our clients, we always seek to put our clients' interests first. Any difference in the prices we receive is never the result of our intentionally trading ahead of clients. Argosy prohibits trading in a manner that takes personal advantage of our recommendations to clients.

ITEM 12 - BROKERAGE PRACTICES

Factors Considered in Selecting Broker-Dealers for Client Transactions

Argosy requires clients to open one or more custodian accounts in their own name at a qualified custodian. For clients in need of brokerage or custodial services, Argosy may recommend the use of Fidelity Institutional Wealth Services, a division of Fidelity Brokerage Services, Inc. ("Fidelity").

A client is not under any obligation to effect trades through any recommended broker or custody their assets with any broker-dealer we recommend. All clients are free to select any broker-dealer of his or her choice. The client will enter into a separate agreement with the broker-dealer/custodian to custody the assets. Argosy also requires that clients grant us limited power of attorney to execute client transactions through Fidelity. Argosy is independently owned and operated, and unaffiliated with any broker-dealer/custodian.

Fidelity may charge commissions (ticket charges) for executing our transactions. We do not receive any part of these separate charges. We may recommend that clients establish accounts with Fidelity to maintain custody of clients' assets and to effect trades for their accounts. Fidelity may provide us with access to their institutional trading and custody services, which are typically not available to Fidelity retail investors. Fidelity's services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Argosy's clients who choose to have their assets held at Fidelity will not be charged separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through Fidelity or that settle into Fidelity.

Argosy considers several factors in recommending a broker-dealer/custodian to a client. Factors that Argosy may consider when recommending a broker-dealer/custodian may include availability of funds, ease of use, reputation, service execution, pricing and financial strength. Argosy may also take into consideration the availability of the products and services received or offered (detailed below) by Fidelity. (see also ***Item 14 – Client Referrals and Other Compensation***)

Argosy advisory representatives are registered representatives / investment adviser representative of Cetera, which necessitates that Cetera collect and maintain certain records and perform other compliance functions in relation to the advisory activities of Argosy. These obligations require Cetera to coordinate with and have the cooperation of certain custodians and/or broker-dealers.

Research and Other Benefits

Fidelity makes available to us other products and services that may benefit Argosy but may not directly benefit our clients' accounts. These types of services will help us in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our fees from clients' accounts; and

assist with back-office functions, record keeping, and client reporting. Many of these services may be used to service all or a substantial number of our accounts. We place trades for our clients' accounts subject to our duty to seek best execution. We may use broker-dealers other than Fidelity to execute trades for client accounts maintained at Fidelity, but this practice may result in additional costs to clients because Fidelity may assess additional fees for executing trades at another broker-dealer. Therefore, we are more likely to place trades through Fidelity rather than other broker-dealers. Fidelity's execution quality may be different from other broker-dealers.

Fidelity may also provide other benefits such as educational events or conferences on practice management, regulatory compliance, information technology, and business success. Fidelity may discount or waive fees it would otherwise charge for some of these services, reimburse Argosy for the cost of conferences or related expenses, or pay all or a part of the fees of a third party providing these services to Argosy.

As part of our fiduciary duties to clients, Argosy endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by Argosy or our personnel in and of itself creates a potential conflict of interest and may influence Argosy's recommendation of Fidelity for custody and brokerage services.

Directed Brokerage Transactions

Argosy is prepared to work with any broker-dealer that the client chooses. The above disclosure outlines the brokers and custodians that Argosy recommends. Clients who direct Argosy to use a particular broker-dealer for all trading may pay higher commission charges. Under these circumstances, Argosy may not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. Clients should further understand that when they direct Argosy to use a specific broker disparity in transaction charges might exist between the transaction costs charged to other clients. Argosy may not be able to aggregate orders to reduce transaction costs and clients who direct Argosy to use a particular broker-dealer may receive less favorable prices.

Since we recommend most of our clients maintain their accounts with Fidelity, it is also important for clients to consider and compare the significant differences between having assets custodied at another broker-dealer, bank or other custodian prior to opening an account with us. Some of these differences include, but are not limited to; total account costs, trading freedom, transaction fees/commission rates, and security and technology services. By recommending clients to use Fidelity, Argosy believes we may be able to more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

Clients with 401K or annuity accounts are not required to use Fidelity and may appoint a custodian of their choosing.

ITEM 13 - REVIEW OF ACCOUNTS

Managed Account Reviews

We manage portfolios on a continuous basis and generally review all positions in client accounts at least annually. We offer account reviews to clients on an annual basis. Clients may choose to receive reviews in person, by telephone, or in writing. Mr. Kimura and Mr. Karon conduct all reviews based on a variety of factors. These factors may include but are not limited to stated investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts.

In addition, Mr. Kimura or Mr. Karon may conduct a special review of an account based on one or more of the following:

1. A change in the client's investment objectives, guidelines and/or financial situation;
2. Changes in diversification;
3. Tax considerations;
4. Material cash deposits or withdrawals; or

Financial Plan Reviews

Mr. Kimura and Mr. Karon are responsible for creating and reviewing clients' financial plans. Mr. Kimura or Mr. Karon will generally contact clients annually to discuss any changes in the client's circumstances and necessary updates to the financial plan. They also work with clients on an ongoing basis to review the plan as needed or as requested by the client.

Account Reporting

Each investment management client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. In addition, Argosy provides written reports detailing performance in client accounts on a quarterly basis. Argosy may also provide additional reporting as agreed upon by Argosy and the client on a case-by-case basis.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Fidelity Support Products and Services

We receive an economic benefit from Fidelity in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Fidelity. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Fidelity's products and services to us.

In addition, we are committing to place a certain amount of assets with Fidelity and Fidelity will be paying for certain of our start-up expenses, such as assistance with registration as an investment adviser

and, creation of our compliance program. This presents a conflict of interest as we may have an incentive to recommend clients custody their assets with Fidelity. We address this conflict by informing clients that they may choose any custodian for the maintenance of their assets. They are not required to select Fidelity to become a client of Argosy.

Due Diligence Expenses

Securities issuers may also pay directly or reimburse Argosy for costs, such as travel expenses and conference fees, relating to our due diligence review of the issuer's product. Accepting these payments/reimbursements could be a conflict of interest, particularly if the payments/reimbursements facilitate Argosy in ultimately recommending the product to our clients. Argosy accepts these payments on a case-by-case basis, subject to our internal practices, when we believe the payments do not hinder our ability to objectively evaluate the product. The availability or receipt of these payments/reimbursements is not a consideration for us in deciding whether or not to invest in a product.

Outside Compensation

Argosy may refer clients to unaffiliated professionals for a variety of services such as insurance, mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting services. In turn, these professionals may refer clients to Argosy. Argosy will not refer clients to financial planners and other investment advisers unless they are licensed, registered or exempt from registration as an investment adviser.

Argosy does not receive any monetary compensation for referring our clients to unaffiliated professionals. However, it could be concluded that Argosy is receiving an indirect economic benefit from this practice as the relationships are mutually beneficial and there could be incentive to recommend services of those who refer clients to Argosy. These referrals do not involve in any way client brokerage or the use of client commissions. Argosy will never share information with an unaffiliated provider unless first authorized by the client. Clients are under no obligation to purchase any products or services through these professionals.

ITEM 15 - CUSTODY

Argosy has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from Argosy as well as from the qualified custodian, they should compare

these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

ITEM 16 - INVESTMENT DISCRETION

Non-Discretionary

For non-discretionary accounts, Argosy will contact the client before making recommendations we deem appropriate for the client. Non-discretionary clients should be aware that recommendations are typically time sensitive and the following circumstances may cause market movements to work against the client:

1. Argosy will not execute the transaction until we receive verbal or written instructions from the client;
2. Argosy generally will not aggregate transactions for non-discretionary accounts with discretionary and limited-discretionary accounts; and
3. Transactions for non-discretionary accounts will generally be effected after transactions in discretionary and limited-discretionary accounts.

Discretionary Management

Argosy generally has full discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts. Argosy will not contact clients before placing trades in their account, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us). Clients also give us trading authority over their accounts when they sign the custodian paperwork.

However, certain client-imposed conditions may limit our discretionary authority, such as where the client prohibits transactions in specific security types or directs Argosy to execute transactions through specific broker-dealers. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4*** and ***Item 12 – Brokerage Practices***, above.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Voting

Argosy does not accept or have the authority to vote client securities. However, clients may call us if they have questions about a particular solicitation. Argosy will not be deemed have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

An exception to this policy exists when an account is subject to ERISA and proxy voting authority has not been delegated to another named fiduciary in the plan's written documents.

ERISA

For accounts subject to ERISA, an authorized plan fiduciary other than Argosy will retain proxy voting authority. Our investment advisory agreement and/or the plan's written documents will evidence and outline this authority.

Class Actions

Argosy does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Argosy does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.