



PALM SPRINGS ADVISORY LLC

INVEST IN INNOVATION & GROWTH

Palm Springs Advisory LLC

Firm Brochure – Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Palm Springs Advisory. If you have any questions about the contents of this brochure, please contact us at contact@palmspringsadvisory.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. Registration does not imply a certain level of skill or training.

Additional information about Palm Springs Advisory also is available on the SEC's website at www.adviserinfo.sec.gov. Palm Springs Advisory LLC's CRD number is: 289398.

Date: September 10, 2020

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Material Changes

Palm Springs Advisory believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide its clients with complete and accurate information at all times. Palm Springs Advisory encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with us.

Material Changes

- Part 1.b Services provided has changed, this is due to the operation strategy of Palm Springs Advisory have changed.
- Part 2 Fees and Compensation have change.
- Part 5 Methods of Analysis, investment strategies and risk of loss have changed, due to the investment strategy have changed.



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1. Advisory Business

a) Description of the Advisory Firm

Palm Springs Advisory LLC (hereinafter “Palm Springs Advisory”) was founded as a Delaware Limited Liability Company in 2017 and 100% employee owned. Palm Springs Advisory devotes its resources primarily to the service of high net worth individuals, mostly foreigners (non-US resident) investors. Palm Springs Advisory provides fixed and tailored strategies for a variety of client accounts. Palm Springs Advisory especially focusing on get rid of the technology revolution, to searching investment opportunity that could benefit clients in long term.

b) Services Provided

Palm Springs Advisory offers two types of portfolio management services, and will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Palm Springs Advisory evaluates (either through face-to-face interview or internet questionnaire filling) current investments of each client with respect to their risk tolerance levels and time horizon. According to client’s preference and risk tolerance, one of the following investment service policy statements is provided. Clients have to choose the type of services and proportion of its investment toward different investment services. Palm Springs Advisory only serves to high net worth individuals, qualified clients or Non-US resident clients.

According to the client’s individual goals, objectives, time horizon, and risk tolerance, Palm Springs Advisory offers one of the following portfolio management services:

- i. Technology Growth Portfolio Management Services: Palm Springs Advisory offers the same suite of services to all of its clients, who choosing this type of service. Investment will be more focusing on large capitalization technology firm.
- ii. Lifecycle Portfolio Management Services: Palm Springs Advisory offers the same suite of services to all of its clients, who choosing this type of service. Investment will be more focusing on those companies that meet the needs of everybody’s whole lifecycle.
- iii. Family Office Services: Palm Springs Advisory provide all consultancy and investment services to high net worth families. Services including, but not limited to, taxation consultant, risk management, registry services etc.

Portfolio management services include, but are not limited to, the following:

- Investment strategy formation
- Personal investment policy
- Asset allocation
- Asset selection



- Risk tolerance

- Regular portfolio monitoring

All the portfolio management services above is recommended for an investment period of at least 3 years, 5-10 years is more preferred. Palm Springs Advisory Capital primarily recommends equities to a majority of its clients. Palm Springs Advisory Capital may use other securities as well to help diversify a portfolio when applicable. Clients have to set up an account with Interactive Brokers LLC and sign up contract to give authority to Palm Springs Advisory trade on behave of clients. Palm Springs Advisory doesn't receive any commission while clients open account with Interactive Brokers. Clients may instruct Palm Springs Advisory to close their position and withdraw from account by given a written notice at least 30 days before withdrawal. Palm Springs Advisory may close the required position at any time during the 30 days period based upon its understanding to the market.

Palm Springs Advisory seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Palm Springs Advisory' economic, investment or other financial interests. To meet its fiduciary obligations, Palm Springs Advisory attempt to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Palm Springs Advisory' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Palm Springs Advisory' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, among its clients on a fair and equitable basis over time.

c) Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees.

Palm Springs Advisory does not participate in any wrap fee programs.

2. Fees and Compensation

According to the different services that client chooses, Palm Springs Advisory implement different types of fee schedules respectively.

These fees are generally negotiable and the final fee schedule is attached to the Investment Advisory Contract. This service may be canceled immediately upon written notice. Clients must pay the prorate performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.



a) Technology Growth Portfolio Management Fees

For Non-US resident clients, Palm Springs Advisory applies 1% of the management fee based on AUM and 10% of performance-based fee. For US resident high net worth individual and qualified clients, Palm Springs Advisory applies 2% of management fee based on AUM. For detailed explanation of the method in calculating fees, please find in section 2 (d) and 2 (e).

b) Lifecycle Portfolio Management Performance-Based Fees

For Non-US resident clients, Palm Springs Advisory applies 1% of the management fee based on AUM and 10% of performance-based fee. For US resident high net worth individual and qualified clients, Palm Springs Advisory applies 2% of management fee based on AUM. For detailed explanation of the method in calculating fees, please find in section 2 (d) and 2 (e).

c) Family Office Services

Family office services is highly variable based upon client's needs, so the charge of each services are different. Palm Springs Advisory will provide client full detailed quotation before each contract starts.

d) Management Fee Explanation

The management fee is charged a flat rate of 1% annually based on client's Net Asset Value (NAV) under management. The management fee is applied monthly and will deduct from client's account at the beginning of the next month that serviced provided.

e) Performance – Based Fee Explanation

The performance – based fee is applied as a percentage of quarterly profit and loss at the end of each quarter (as of 3/31, 6/30, 9/30, 12/31). And high water marking method is used to offset periods of losses in a volatile market. High Water Marking keeps track of cumulative losses per billing period within a quarter look-back period. A loss in any period will be added to the look-back period's cumulative losses. A gain in any period will decrease the cumulative loss recorded to date. Palm Springs Advisory will not charge a profit-based fee as long as a cumulative loss exists.

f) Client Responsibility for Third Party Fees

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Palm Springs Advisory.



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g) Other fees

There are some other fees will generate during the time Palm Springs Advisory trading for clients. Please be noticed that those fees are not charged by Palm Springs Advisory, and fees will deduct automatically from each individual client account when processing the trading.

h) Prepayment of Fees

Palm Springs Advisory collect its fees in arrears. It does not collect fees in advance.

i) Outside Compensation for the Sale of Securities to Clients

Neither Palm Springs Advisory nor its supervised persons accept any compensation for the sale of securities or other investment products.

3. Performance-Based Fees and Side-By-Side Management

Palm Springs Advisory manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Palm Springs Advisory and/or its supervised persons have an incentive to favor accounts for which Palm Springs Advisory receives a performance-based fee. Palm Springs Advisory addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. Palm Springs Advisory seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

4. Types of Clients

Palm Springs Advisory generally provides advisory services to the following types of clients:

- a. High net worth clients: Clients with at least \$750,000 under management with the adviser or more than \$1,500,000 of net worth
- b. Qualified Purchasers: Clients who are “qualified purchasers” under section 2(a) (51) (A) of the Investment Company Act;
- c. Clients that are not U.S. Residents.

The minimum account balance for all types of clients is \$100,000.



5. Methods of Analysis, Investment Strategies and Risk of Loss

a) Methods of Analysis and Investment Strategies

Methods of Analysis

a. Market Risk Analysis: Palm Springs Advisory has subscribed investment reports from several reputable banks, investment banks and financial institutions. For every quarterly, Palm Springs Advisory review reports from those institutions and evaluate market risks on a scale of 1-10. By averaging the scores from different institutions, Palm Springs Advisory implement the score on the list below to determine the portion of cash and stocks.

| Score | Opinion | Stock Position | Cash Position | Hedging Position |
|-------|---------|----------------|---------------|------------------|
| 1 | Bull | 90.0% | 10.0% | 0 |
| 2 | Bull | 80.0% | 20.0% | 0 |
| 3 | Bull | 70.0% | 30.0% | 0 |
| 4 | Bull | 60.0% | 40.0% | 0 |
| 5 | Neutral | 50.0% | 50.0% | 0 |
| 6 | Neutral | 40.0% | 60.0% | 5% |
| 7 | Neutral | 30.0% | 70.0% | 5% |
| 8 | Bear | 20.0% | 80.0% | 10% |
| 9 | Bear | 10.0% | 90.0% | 20% |
| 10 | Bear | 0.0% | 100.0% | 30% |

b. Fundamental Analysis: Palm Springs Advisory uses fundamental analysis to analyze each individual stock. Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.



Investment Strategies

Different investment services that Palm Springs Advisory provides have different Investment Strategies.

- Technology Growth Portfolio Management Services

This strategy mainly focused on companies that have subversive new technology in certain industry. They have established a deep moat, and could maintain a long-term growth and give investor highly return. Pooling will based on several quantitative measures, Sales Q/Q, Performance Q/Q, Gross Margin, PEG etc, also will depend on information we absorb from industry contacts and investment officers vision. After pooling have done, Palm Springs Advisory weights the positions based upon several different quantitative matrix. Clients who choose this service have to involved in a dividend reinvestment plan to get better benefit of reinvestment. 20% drawback stop order will always be submitted to control the risk. Option may be used in some situation to hedge potential risk of particular security. This strategy may invest in bond, ETF and other sort of investment.

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

- Lifecycle Portfolio Management Services

This strategy involved in 3 different positions, core, auxiliary, speculate and cash positions. Core position is defined as those companies have more than 10 years history, high market capital, industry is irreplaceable, high and constant dividend yield, last for at least 2 economic cycle. There are around 10 companies in the core positions, and each company weighting is 5%. Auxiliary position is defined mostly the same as core position, but it could be weaker than all its criteria. There are 10 companies in auxiliary position and each weight 2%. Speculate position is defined as those companies have destructive to its industry and with highly potential that they could grow very quick. Clients who choose this service have to involved in a dividend reinvestment plan to get better benefit of reinvestment. Palm Springs Advisory rebalance the position quarterly for core and auxiliary position, and monthly for speculate positions. All position will be covered by an 20% drawback stop order to limited the risk exposure for clients. Option may be used in some situation to hedge potential risk of particular security. This strategy may invest in bond, ETF and other sort of investment.

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

b) Material Risks Involved

Methods of Analysis

Palm Springs Advisory use material from different reputable banks and investment institutions to evaluate market risk in the future. After review the materials, Palm Springs Advisory subjectively score the report based on whether the opinion of the report is bull, bear or neutral. Material provided from different institution may involve risks that their opinions are wrong. Also, Palm Springs Advisory may make mistake to score the report while evaluating their opinions.



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.

Investment Strategies

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 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, currency exchange rate risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

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

c) Risks of Specific Securities Utilized

The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.



Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Non-U.S. securities - present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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



6. Disciplinary Information

a) Criminal or Civil Actions

There are no criminal or civil actions to report.

b) Administrative Proceedings

There are no administrative proceedings to report.

c) Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

7. Other Financial Industry Activities and Affiliations

a) Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Palm Springs Advisory nor its representatives are registered as, or have pending applications to become, a broker/dealer or representative of a broker/dealer.

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

Neither Palm Springs Advisory nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Palm Springs Advisory LLC's employee, controlled person and shareholder may invest in the same stock with client, this provide an possible conflicts of interest. As all employee, controlled person and shareholders' investment is relatively small, and investment targets are relatively quite large, our investment will not influence the price of targeting investment too much. Palm Springs Advisory always acts in the best interest of the client.



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All material conflicts of interest are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

d) Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Palm Springs Advisory does not utilize nor select third-party investment advisers. All assets are managed by Palm Springs Advisory.

8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

a) Code of Ethics

Palm Springs Advisory has 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. Palm Springs Advisory's Code of Ethics is available free upon request to any client or prospective client.

b) Recommendations Involving Material Financial Interests

Palm Springs Advisory and its associated persons may have material financial interests in issuers of securities that Palm Springs Advisory may recommend for purchase or sale by clients.

This presents a conflict of interest in that Palm Springs Advisory or its related persons may receive more compensation from investment in a security in which Palm Springs Advisory or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. Palm Springs Advisory always acts in the best interest of the client consistent with its fiduciary duties and clients are not required to invest in such investments if they do not wish to do so.

c) Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Palm Springs Advisory may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Palm Springs Advisory 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



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transactions may create a conflict of interest. Palm Springs Advisory will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

d) Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Palm Springs Advisory may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Palm Springs Advisory to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Palm Springs Advisory will never engage in trading that operates to the client's disadvantage if representatives of Palm Springs Advisory buy or sell securities at or around the same time as clients.

9. Brokerage Practices

a) Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker dealers will be recommended based on Palm Springs Advisory's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Palm Springs Advisory may also consider the market expertise and research access provided by the broker dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Palm Springs Advisory's research efforts. Palm Springs Advisory will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker dealer/custodian.

Palm Springs Advisory recommends Interactive Brokers LLC.

1. Research and Other Soft - Dollar Benefits

While Palm Springs Advisory has no formal soft dollars program in which soft dollars are used to pay for third party services, Palm Springs Advisory may receive research, products, or other services from custodians and broker dealers in connection with client securities transactions ("soft dollar benefits"). Palm Springs Advisory may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Palm Springs Advisory does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Palm Springs Advisory benefits by



not having to produce or pay for the research, products or services, and Palm Springs Advisory will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that Palm Springs Advisory' acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

Palm Springs Advisory receives no referrals from a broker dealer or third party in exchange for using that broker dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Palm Springs Advisory does not permit clients to direct it to execute transactions through a specified broker dealer.

4. Aggregating (Block) Trading for Multiple Client Accounts

Palm Springs Advisory does not involve in aggregating (block) trading for multiple client accounts. All trading involves will be execute in each client's account only.

10. Review of Accounts

a) Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All Client accounts for Palm Springs Advisory' advisory services provided on an ongoing basis are reviewed at least monthly by our Investment Strategy Team, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Palm Springs Advisory are assigned to this reviewer.

b) 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).

c) Content and Frequency of Regular Reports Provided to Clients

Each client of Palm Springs Advisory' advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees.

Electronic real-time report is always reachable at the website of the custodian.



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11. Clients Referrals and Other Compensation

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

Palm Springs Advisory may accept compensation for client referrals, but does not have any such arrangements in place at this time. Palm Springs Advisory will fully disclose to clients the details of any referral relationships.

b) Compensation to Non-Advisory Personnel for Client Referrals

Palm Springs Advisory may compensate any person who is not advisory personnel for client referrals, but does not have any such arrangements in place at this time. Palm Springs Advisory will fully disclose to clients the details of any referral relationships.

12. Custody

When advisory fees are deducted directly from client accounts at client's custodian, Palm Springs Advisory will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, Palm Springs Advisory will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from Palm Springs Advisory.

13. Investment Discretion

Palm Springs Advisory provides discretionary portfolio management services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Palm Springs Advisory generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total



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amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority.

Palm Springs Advisory will also have discretionary authority to determine the broker dealer to be used for a purchase or sale of securities for a client's account.

14. Voting Client Securities

Palm Springs Advisory acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have, proxy voting authority. Palm Springs Advisory will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. Palm Springs Advisory may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, Palm Springs Advisory may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between Palm Springs Advisory and a client, then Palm Springs Advisory will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting Palm Springs Advisory in writing and requesting such information. Each client may also request, by contacting Palm Springs Advisory in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

15. Financial Information

a) Balance Sheet

Palm Springs Advisory neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither Palm Springs Advisory nor its management has any financial condition that is likely to reasonably impair Palm Springs Advisory's ability to meet contractual commitments to clients.



PALM SPRINGS ADVISORY LLC

INVEST IN INNOVATION & GROWTH

c) Bankruptcy Petition in Previous Ten Years

Palm Springs Advisory has not been the subject of a bankruptcy petition in the last ten years.



PALM SPRINGS ADVISORY LLC

INVEST IN INNOVATION & GROWTH

Palm Springs Advisory LLC

Form ADV Part 2B – Individual Disclosure Brochure for Lei Zhang (Personal CRD No.6875983)

This brochure supplement provides information about Lei Zhang that supplements the Palm Springs Advisory LLC brochure. You should have received a copy of that brochure. Please contact Lei Zhang if you did not receive Palm Springs Advisory LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Lei Zhang also is available on the SEC's website at www.adviserinfo.sec.gov.

Date: September 10, 2020

8 THE GRN SUITE A, DOVER, DE, USA 19901

Contact Details: contact@palmspringsadvisory.com



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1. Educational Background and Business Experience

Name: Lei Zhang

Born: 1989

a. Educational Background

- Master of Marketing and Financial Services, University of Exeter, United Kingdom; July 2012
- Bachelor of Applied Finance, Macquarie University, Australia, July 2011

b. Designations:

Registered Investment Adviser Representative

To be eligible as Registered Investment Adviser Representative, individual required to pass the Series 65 – Uniform Investment Adviser Law Examination, except for several exemptions.

The Series 65 Examination contains the following four parts.

- Economic Factors and Business Information
- Investment Vehicle Characteristics
- Client Investment Recommendations and Strategies
- Law, Regulations, and Guidelines

c. Business Experience:

| Time Interval | City | Employer | Security Related | Position |
|---------------------|----------|------------------------------|------------------|-----------------|
| Jun 2020 to Present | Changsha | Changsha Xinhuan High School | No | Member of Board |
| Sep 2019 to Present | Beijing | Palm Springs Advisory LLC | Yes | CEO and CCO |
| OCT 2017 to | Beijing | Panorama Capitals | Yes | CCO |



| | | | | |
|----------------------|----------|----------------------------|----|------------------------------|
| Sep 2019 | | LLC | | |
| OCT 2015 to Present | Changsha | 9Pyro IT LLC | No | CEO |
| JAN 2016 to Present | Changsha | San Chemical Trading | No | Head of Business Development |
| JUL 2012 to FEB 2016 | Changsha | Wanqiang Telecommunication | No | General Manager |

2. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

3. Other Business Activities

Lei Zhang acts as Chief Executive Officer of 9PYRO IT LLC, which their main business is to promote their Enterprise Resource Planning system and relative platform to manufacturing industry. 9Pyro is not a public company, and Palm Springs Advisory will not give any advice to clients purchasing any financial related product of 9Pyro to clients.

Lei Zhang also acts as Head of Business Development of San Chemical Trading LLC, which their main business is to trade chemical. San Chemical is not a public company, and Palm Springs Advisory will not give any advice to clients purchasing any financial related product of San Chemical to clients.

Palm Springs Advisory always acts in the best interest of the client, and clients are in no way required to utilize the services of any representative of Palm Springs Advisory in connection with such individual's activities outside of Palm Springs Advisory.



4. Additional Compensation

As CEO of 9Pyro IT LLC and head of business development of San Chemicals, Lei Zhang apportions his time between the two companies and Palm Springs Advisory. Lei Zhang's business activities represent a substantial amount (greater than 60%) of his time and compensation.

5. Supervision

Palm Springs Advisory has adopted supervisory policies and corresponding procedures to ensure that Palm Springs Advisory properly supervises its advisory personnel. Section 203(e) of the Investment Advisers Act of 1940, as amended (the "Advisers Act") states, in part, that the Securities and Exchange Commission (the "SEC") may prohibit investment advisers from engaging in investment advisory activities for a period not exceeding 12 months or, in egregious cases, revoke the registration of the investment adviser, for a failure to properly supervise its employees. The severity of the sanction is determined on a case-by-case basis. Past SEC enforcement actions have suggested that the adoption and implementation of reasonable compliance procedures is an affirmative defense against a claim of failure to supervise.

Palm Springs Advisory' supervisory policies establish procedures, and a system for applying the procedures, which Palm Springs Advisory reasonably expects to prevent and detect, insofar as practicable, any violation of any applicable law, rules and regulations, including the Advisers Act, and the rules and regulations promulgated thereunder, by a person subject to Palm Springs Advisory' supervision. Palm Springs Advisory' supervisory policy is predicated on the principle that Palm Springs Advisory and its employees owe a fiduciary duty to their clients. Each employee must avoid any activity or relationship that may reflect unfavorably on Palm Springs Advisory as a result of a possible conflict of interest, the appearance of such a conflict, the improper use of confidential information, or the appearance of any impropriety. With respect to supervision of the investment advice provided to clients, each client account is reviewed periodically by Lei Zhang.