

Firm Brochure

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of Asia Pacific Financial Management Group, Inc. If you have any questions about the contents of this brochure, please contact us at: 671-472-6400, or by email at: asiapac@apfmg.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Asia Pacific Financial Management Group, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2023

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since our last amendment filing on March 30, 2022, we have had the following material changes. The firm and an employee were involved in a legal or disciplinary event related to a previous investment client. The FINRA arbitration was completed on February 28, 2023 and included an award. An appeal was filed and is pending. Please see FINRA BrokerCheck for more details.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 671-472-6400 or by email at: wm@apfmq.com.

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Advisory Business

Firm Description

Asia Pacific Financial Management Group, Inc. was founded in 1993.

Asia Pacific Financial Management Group, Inc. provides personalized investment advice, investment management, and retirement & financial planning to individuals, qualified retirement plans, trusts, estates, charitable organizations and business entities. Advice is provided through consultation with the client and may include determination of financial objectives, cash flow management, time horizon, risk tolerance, investment management, education funding, retirement planning, and insurance review. Asia Pacific Financial Management Group, Inc. does not compensate for client referrals.

During the course of providing retirement plan services, plan participants may decide to engage in a separate relationship as an individual investment advisory client and decide to rollover their assets to an IRA. If we make a recommendation to do an IRA rollover, we may have a conflict of interest because the investment advisory fee may be higher than their current plan. We will provide all fee information and differences in services to mitigate this conflict.

Investment advice is provided on a discretionary or non-discretionary basis. Asia Pacific Financial Management Group, Inc. does not act as a custodian of client assets. The client always maintains asset control. Asia Pacific Financial Management Group, Inc. places trades for clients under a limited power of attorney.

At the start of each client relationship, an evaluation of their current financial situation is performed. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

The initial meeting, which may be by telephone or virtual conference, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

The Firm's principal owners are Sandra McKeever, Melinda Sulit, and Jonathan Ulloa.

Types of Advisory Services

Asia Pacific Financial Management Group, Inc. provides personalized investment advice, investment management, and retirement & financial planning to individuals, qualified retirement plans, trusts, estates, charitable organizations and business entities. As of December 31, 2022, Asia Pacific Financial Management Group, Inc. manages approximately \$206,096,000.00 in assets for approximately 2,400 clients.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system and/or client file. Risk tolerance, investment objectives and goals are determined during the client interview process. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Advisory Service Agreement

Most clients choose to have Asia Pacific Financial Management Group, Inc. manage their assets to obtain ongoing investment advice and life planning. Important aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions may be made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes investment management and investment advice, which may include performance reporting, education planning, and retirement planning, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

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OPTION 1	
FEE SCHEDULE: AGGREGATE ACCOUNT VALUE	
Aggregate Account Value	Annualized Fee
First \$500,000	2.25%
Next \$500,000	1.75%
Next \$4,000,000	1.25%
Amounts over \$5,000,000	1.00%

Client initial:

☐

OPTION 2	
FEE SCHEDULE: DISCOUNTED FLAT RATE %	
Discounted Annual Flat Rate	%

Client initial:

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Investment Management Agreement

An Investment Management Agreement may be executed when financial planning is not provided as part of the relationship. For the annual fee for an Investment Management Agreement, please see the fee schedule above.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management

fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Asia Pacific Financial Management Group, Inc. does not receive any compensation, in any form, from fund companies.

Investments may also include equities (stocks), ETFs, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U.S. government securities, options contracts, futures contracts, and interests in partnerships.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Asia Pacific Financial Management Group, Inc. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Asia Pacific Financial Management Group, Inc. will refund any unearned portion of the advance payment.

Asia Pacific Financial Management Group, Inc. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Asia Pacific Financial Management Group, Inc. will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Asia Pacific Financial Management Group, Inc. bases its fees on a percentage of assets under management, fixed fees, and commissions.

Fees are negotiable.

Fee Billing

Asia Pacific Financial Management Group, Inc. management fees are billed in two separate ways. Depending on the platform selected, we may collect our fees in arrears or in advance. For the platforms that charge in advance, the annual fee will be calculated and payable quarterly in advance based on the value of the assets in an Account, including the full value of any assets purchased on margin, as of the last business day of the preceding quarter. The advisory fee may be modified or changed by APFMG upon advance written notice to you. For platforms that charge in arrears, the fee is based on the Account Value as of the last business day of the previous calendar quarter, and becomes due the business day following the last business day of the previous calendar quarter. If cash or

securities, or a combination thereof, are deposited to or withdrawn from Client's Account on an individual business day in the first two months of the quarter, Client authorizes Adviser to: (i) assess a Fee to the deposited assets based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid Fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. Client authorizes and directs custodian to deduct Fees from the Account. Client further authorizes and directs the custodian to send a quarterly statement to Client which shows all amounts disbursed from Client's Account, including Fees paid from Account assets. The statement supplied to Client by Custodian will show the amount of the Fee, the Account Value on which the Fee was based, and the way the Fee was calculated. For the purposes of this Program Agreement, the term "Account Value" shall mean the total absolute value of the securities in the Account, long or short, plus all credit balances, with no offset for any margin or debit balances.

There are other instances where fees are not deducted from the account but the fees are invoiced to the client directly.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Asia Pacific Financial Management Group, Inc., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. The formula is based on gross assets and other financial considerations.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% for their services. These fees are in addition to the fees paid by you to Asia Pacific Financial Management Group, Inc.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Asia Pacific Financial Management Group, Inc. reserves the right to stop work on any account that is more than 30 days overdue. In addition, Asia Pacific Financial Management Group, Inc. reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Asia Pacific Financial Management Group, Inc.'s judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Types of Clients

Description

Asia Pacific Financial Management Group, Inc. generally provides investment advice to individuals, banks or thrift institutions, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

Asia Pacific Financial Management Group, Inc. has the discretion to waive the account minimum of \$100,000.

Clients receiving ongoing asset management services may be assessed a minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Asia Pacific Financial Management Group, Inc., may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, RBC research

reports, and the internet.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. We may use exchange-traded funds then add actively managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets. Other strategies may include long-term purchases, short-term purchases, and trading. The client may change these objectives at any time. Each client executes an Investment Election that documents their objectives and their desired investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and an employee were involved in a legal or disciplinary event related to a previous investment client. The FINRA arbitration was completed on February 28, 2023 and included an award. An appeal was filed and is pending. Please see FINRA BrokerCheck for more details.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Asia Pacific Financial Management Group, Inc. is registered as an introducing securities broker-dealer.

Affiliations

Asia Pacific Financial Management Group, Inc. has arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, or financial planning firm.

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

Code of Ethics

The employees of Asia Pacific Financial Management Group, Inc. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Asia Pacific Financial Management Group, Inc. and its employees may

buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Asia Pacific Financial Management Group, Inc. Compliance Manual.

Personal Trading

The Chief Compliance Officer of Asia Pacific Financial Management Group Inc. is Sandra McKeever. She reviews all employee trades each quarter. Her trades are reviewed by Thad Jones. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Asia Pacific Financial Management Group, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Asia Pacific Financial Management Group, Inc. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Asia Pacific Financial Management Group, Inc. is an advisor with RBC Clearing and Custody (RBC Capital Markets, LLC), SEI Investments, California Pension Administrators and Consultants, Inc., FuturePlan, ASC Trust Corporation, Lincoln Financial Group, Group IRA, Inc.

Asia Pacific Financial Management Group receives fees or commissions from any of these arrangements.

Best Execution

Asia Pacific Financial Management Group, Inc. recommends Qualified Custodians who are independent (and unaffiliated) SEC-registered broker/dealers and or registered trust/banks or product sponsors to maintain custody of clients' assets and to effect trades for their accounts. A separate account is always maintained for every client with the broker-dealer/custodian, and you retain all rights of ownership to your accounts. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by registered investment advisors, Thad Jones, Sandra McKeever, Jonathan Ulloa, Sophie Brindejonc-Choi, and Jonathon Holm. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Advisory Service Agreement clients and Investment Management clients receive written quarterly updates. The written updates may include portfolio statement and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

Asia Pacific Financial Management Group, Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals. However, if a solicitor's agreement is in place, the firm will compensate with a one-time referral fee.

Referrals Out

Asia Pacific Financial Management Group, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

If clients receive a performance report statement provided by Asia Pacific Financial Management Group, Inc, they are urged to compare those to the account statements received directly from their custodians.

Investment Discretion

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades for you.

Voting Client Securities

Proxy Votes

Asia Pacific Financial Management Group, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, Asia Pacific Financial Management Group, Inc. may provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

Asia Pacific Financial Management Group, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Asia Pacific Financial Management Group, Inc. does not serve as a custodian for client funds or securities; and does not require or solicit prepayment of fees more than six months in advance.