

ASCENT

FINANCIAL GROUP

Firm Brochure - Form ADV Part 2A

Ascent Financial Group

413 Stuart Circle
Suite 220
Richmond, VA 23220
(o) (804) 602.2121
info@ascent-financial.com
www.ascent-financial.com

This brochure provides information about the qualifications and business practices of Ascent Financial Group LLC. If you have any questions about the contents of this brochure, please contact us at (804) 602.2121 or by email at: info@ascent-financial.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 Ascent Financial Group LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Ascent Financial Group LLC's CRD number is: 325706.

Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: 02/06/2026

Item 2: Material Changes

Pursuant to SEC rules, Ascent Financial Group LLC will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the Firm's fiscal year end, December 31. This means that if there were any material changes over the past year, clients will receive a summary of those changes no later than April 30. At that time, Ascent Financial Group LLC will also offer a copy of its most current disclosure brochure and may also provide other ongoing disclosure information about material changes as necessary. If there are no material changes over the past year, no notices will be sent.

Clients and prospective clients can always receive the most current disclosure brochure for Ascent Financial Group LLC at any time by contacting their investment advisor representative.

This is a new brochure as of February 6, 2026.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Ascent Financial Group LLC (hereinafter “AFG”) is a Limited Liability Company organized in the State of Virginia. The firm was formed in January 2020 and became registered as an investment adviser in June 2023. The principal owner is Dustin Charles Newton.

B. Types of Advisory Services

Comprehensive Financial Planning & Portfolio Management Services

This service involves working one-on-one with a planner over an extended period of time.

By paying an ongoing fee, clients get continuous access to a planner who will work with them to design and implement their plan. The planner will monitor the plan, implement any changes, and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis:

- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.
- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific

investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may affect your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Variable Annuity Advice & Analysis:** This will involve the monitoring of assigned investment assets relative to performance, risk, and suitability relative to each Client’s broader financial profile. AFG will also monitor changes in Client profiles that may impact: product suitability, death benefits, living benefits, step-ups, surrender charges, potential taxes or tax penalties, and advise Clients of changes that should be made or actions that should be taken. AFG will confirm cost basis with client and carriers when providing withdrawal or surrender advice.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients’ financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on

prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- College Savings: Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. On an annual basis, there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

After creation of a plan and presentation to you, your planner will assess your current holdings and ensures alignment with both short- and long-term goals. AFG performs ongoing reviews of investment performance and portfolio exposure to market conditions. Accordingly, AFG is authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or sold without prior permission from the client for each transaction. Any and all trades are made in the best interest of the client as part of AFG's fiduciary duty. However, risk is inherent to any investing strategy and model. Therefore, AFG does not guarantee any results or returns. AFG is an asset-based fee investment management firm. The firm does not receive commissions for purchasing or selling stocks, bonds, mutual funds, real estate investment trusts, or other commissioned products for clients. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

AFG does not act as a custodian of client assets. The client always maintains asset control. AFG places trades for clients under a limited power of attorney through qualified custodian/broker.

Selection of Other Advisers

As part of our portfolio management services, AFG may allocate all or a portion of your assets to other investment advisers ("sub-advisers"). Factors AFG takes into consideration when making this decision(s) include, but are not limited to, the following: the sub-adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. AFG will monitor the sub-adviser's performance to ensure its management and investment style remains aligned with your investment goals and objectives. The sub-adviser may actively manage part of your

portfolio and will assume discretionary investment authority over that portion of your account. We will assume discretionary authority to hire and fire sub-advisers and/or reallocate your assets to other sub-advisers where AFG deems such action appropriate without your prior approval.

Insurance Services

AFG does not offer insurance products for sale to customers. However, AFG is a member of DPL Financial Partners, LLC (“DPL”), which is a third-party provider of a platform of insurance consultation services to investment advisers with clients who have current or future needs for insurance products.

DPL's platform is available to AFG's clients for a fixed annual fee paid by AFG. Through its licensed insurance agents, who are also registered representatives of The Leaders Group, Inc. (“The Leaders Group”), an unaffiliated SEC-registered broker-dealer and FINRA member, DPL offers our clients services relating to commission free insurance products. These services include, among others, providing our clients with analyses of our current methodology for evaluating client insurance needs, educating and acting as a resource for us regarding insurance products generally and specific insurance products owned by our clients or that our clients are considering purchasing, and provides us access to, and marketing support for, commission free insurance products.

For providing platform services, DPL receives service fees from the insurers that offer their commission free products through the platform to our clients. These service fees are based on the insurance premiums received by the insurers from our clients who purchase through the DPL platform.

We do not recommend DPL or any other insurance policies, and we do not receive any commissions or other payments from our client's purchases of insurance policies. Our fees are limited to the management of the insurance policies' separate accounts, for which we charge a management fee as disclosed in Item 5. Clients are under no obligation to purchase insurance through DPL.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations

- (give prudent advice)
- Never put our financial interests ahead of yours when making recommendations (give loyal advice)
- Avoid misleading statements about conflicts of interest, fees, and investments
- Follow policies and procedures designed to ensure that we give advice that is in your best interest
- Charge no more than is reasonable for our services
- Give you basic information about conflicts of interest

C. Client Tailored Services and Client Imposed Restrictions

AFG provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

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

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. AFG does not participate in wrap fee programs.

E. Assets Under Management

AFG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 100,790,206	\$ 0.00	December 31, 2025

Item 5: Fees and Compensation

A. Fee Schedule

How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Comprehensive Financial Planning & Portfolio Management Services Fees

Asset-Based Fee

Our standard advisory fee (including separate accounts of insurance products purchased through DPL as disclosed in Item 4 above) is based on the market value of the assets under management and is calculated as follows:

Total Assets Under Management	Annual Advisory Fees
\$0 - \$1,500,000	1.00%
\$1,500,001 - \$4,999,999	0.75%
\$5,000,000 +	0.50%

AFG advisory clients pay an annualized fee "Advisory Fee" for services rendered by their financial advisor and AFG. The Advisory Fee is based on the value of assets in the account, including cash holdings, and is billable quarterly in advance. The Advisory Fee will be assessed at the beginning of each quarter based on the account value as of the close of business on the last business day of the preceding quarter. Additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the Advisory Fee.

These fees are negotiable at our sole discretion, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AFG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with written notice.

Fees associated with AFG's recommendations to use sub-advisers paid by AFG out of ordinary business expenses, and come at no additional cost to the client. AFG does not charge you a separate fee for the selection of other advisers.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are typically withdrawn directly from the client's accounts with client's written authorization quarterly in advance. Alternatively, the client may choose to pay from a separate checking account by check, or by ACH withdrawal or debit/credit card by a third-party payment processor. Fees are paid in advance.

C. Client Responsibility For Third Party Fees

Broker-dealers such as charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity transactions, and mark-ups and mark-downs are charged for fixed income transactions). The amount of these commissions and/or transaction fees may vary depending upon a range of factors, which typically include the following: the broker-dealer/custodian utilized; the total value of regulatory assets under management held at the applicable custodian; the type of asset (e.g., equity, ETF, mutual fund, fixed income product). In addition, client accounts may invest in open-end mutual funds (including money market funds) and ETFs that have various internal fees and expenses (i.e., management fees), which are paid by these funds but ultimately borne by clients as a fund shareholder. These internal fees and expenses are in addition to the fees charged by the Firm. Those fees are separate and distinct from the fees and expenses charged by AFG. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

AFG collects certain fees in advance and certain fees in arrears, as indicated above. Where the Firm may request a fee in advance, the amount paid in advance will not be more than \$1,200 per client and 6 months in advance. A client has the right to terminate any contract with AFG without a penalty assessed by AFG within five (5) business days after entering into the contract. If the client's advisory relationship with the Firm terminates, the client will pay the Firm only for that portion of the quarter during which the advisory contract was in effect. If the client paid AFG in advance at the beginning of the quarter, AFG will return to the client the portion of the fees for the time period that the advisory contract was not in effect. If the client did not pay AFG in advance, the client will pay AFG only for that portion of the quarter that the advisory contract was in effect. The cancellation of any contract may be accompanied by the payment of penalties or fees assessed by the custodian or other third party, and while these penalties or fees should not restrict the client's ability to terminate AFG, the client should carefully review all account documentation before cancellation to determine any other costs or considerations related to the client's accounts and assets.

Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within thirty days to the client via check, or return deposit back into the client's account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

E. Outside Compensation For the Sale of Securities to Clients

The Firm is an asset-based fee investment management firm. Neither AFG nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

E. Fee Deduction Disclosure

Where the Firm deducts its management fee from client accounts utilizing a qualified custodian, the Firm is required to meet the following requirements:

- a. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b. The firm must send the qualified custodian a written statement detailing the fee amount to be deducted from the client account; and,
- c. The firm must send the client a written invoice itemizing the fee, the invoice must detail any formulae 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. This may be included with the client's quarterly performance report.

Note, as an SEC-registered adviser, the Firm will rely on the qualified custodian(s) to send client's fee statements.

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

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

Item 7: Types of Clients

AFG generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

We do not have a minimum account size requirement.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

The Firm may use the following methods when considering investment strategies and recommendations.

Charting Review

Charting is a technical analysis that charts the patterns of stocks, bonds, and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time, and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

Fundamental Review

A fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the true value of a company or security by looking at all aspects of the company or security, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price with the aim of determining what sort of position to take with that security (e.g., if underpriced, the security should be bought; if overpriced the security should be sold). Fundamental analysis uses real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for many types of securities.

Technical Review

A technical analysis is a method of evaluating securities that analyzes statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses past market data and statistical

tools to identify patterns that can suggest future activity. Historical performance of securities and the markets can indicate future performance.

Cyclical Review

A cyclical analysis assumes the market reacts in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical analyses exist because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

Economic Review

An economic analysis determines the economic environment over a certain time horizon. This involves following and updating historic economic data such as U.S. gross domestic product and consumer price index as well as monitoring key economic drivers such as employment, inflation, and money supply for the world's major economies.

Investment Strategies

When implementing investment advice to clients, the Firm may employ a variety of strategies to best pursue the objects of clients. Depending on market trends and conditions, the Firm will employ any technique or strategy herein described, at the Firm's discretion and in the best interests of the client. The Firm does not recommend any particular security or type of security. Instead, the Firm makes recommendations to meet a particular client's financial objectives. There is inherent risk to any investment and clients may suffer loss of ALL OR PART of a principal investment.

Long-Term Purchases

Long-term purchases are securities that are purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen changes in the company in which a client is invested or in the overall market. Long term trading is designed to capture market rates of both return and risk. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Due to its nature, the long-term strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, and political/regulatory risk.

Short-Term Purchases

Short-term purchases are securities that are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short-term trading generally

holds greater risk. Frequent trading can affect investment performance due to increased brokerage fees and other transaction costs and taxes.

Strategic Asset Allocation

Asset allocation is a combination of several different types of investments; typically, this includes stocks, bonds, and cash equivalents among various asset classes to achieve diversification. The objective of asset allocation is to manage risk and market exposure while still positioning a portfolio to meet financial objectives.

B. Material Risks Involved

Investing inherently involves risk up to and including loss of the principal sum. Further, past performance of any security is not necessarily indicative of future results. Therefore, future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. The Firm does not provide any representation or guarantee that the financial goals of clients will be achieved.

The potential return or gain and potential risk or loss of an investment varies, generally speaking, with the type of product invested in. Below is an overview of the types of products available on the market and the associated risks of each:

General Risks. Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

General Market Risk. Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

Common Stocks. Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

Portfolio Turnover Risk. High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover

in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

Non-Diversified Strategy Risk. Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions.

There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depository Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's

future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

Legislative and Tax Risk. Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

Foreign Investing and Emerging Markets Risk. Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries.

In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

Information Security Risk. We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of

confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

Tax Risks. Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

Dependence on Key Employees. An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. 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.

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. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that are one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. 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. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be

magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

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.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

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.

Item 9: 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.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

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

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

Neither AFG 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. Insurance Agency Affiliations

Certain Advisory Persons are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart from an Advisory Person's role with AFG. As an insurance professional, the Advisory Person may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by an Advisory Person or the Advisor.

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

AFG has a potential conflict of interest in the recommendation of variable annuities to clients through Johnstone Brokerage Services and DPL Financial Partners. AFG charges a fee to clients for accounts serviced through the above-listed companies. To mitigate this conflict of interest, AFG will always act in the best interest of the client. Additionally, AFG clients are in no way required to proceed with the recommendation and may use other companies to satisfy any insurance product needs.

E. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

AFG may engage third party investment managers as part of the investment management process who offer specialized investment services or expertise in certain facets of investing, including direct indexing. Clients are not charged an additional fee for this

service, and all third party investment manager fees will be paid out of AFG's ordinary business expenses. As such, we are incentivized to select third party managers with lower fees. This conflict of interest is mitigated by our duty to act in your best interest.

AFG will always act in the best interests of the client, including when determining which third party investment advisor to recommend to clients. AFG will ensure that all recommended advisors are exempt, licensed or notice filed in the states in which AFG is recommending them to clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

Fiduciary Status

According to the SEC, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. AFG and its representatives have a fiduciary duty to all clients. This fiduciary duty to clients is considered the core underlying principle of the Firm's Code of Ethics and represents the expected basis for all representatives' dealings with clients. The Firm has the responsibility to ensure that the interests of clients are placed ahead of it or its representatives' own investment interest. All representatives will conduct business in an honest, ethical, and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect the representatives' duty of complete loyalty to their clients.

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with AFG. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with AFG are expected to adhere strictly to these guidelines. Persons associated with AFG are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information about you or your account holdings by persons associated with AFG.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither AFG nor any persons associated with AFG has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

AFG or persons associated with AFG may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither AFG nor persons associated with AFG shall have priority over your account in the purchase or sale of securities.

Aggregated Trading

AFG or persons associated with AFG may buy or sell securities for you at the same time we or persons associated with AFG buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

B. Recommendations Involving Material Financial Interests

AFG does not recommend that Clients buy or sell any security in which any of AFG's related persons have a material financial interest other than cases where the representatives may have similar holdings due to similar investment plans (as noted in the next section).

C. Investing Personal Trading in the Same Securities as Clients

From time to time, representatives of AFG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AFG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. While AFG will not discuss with clients each specific instance of trading similar securities, the firm will document internally any transactions that could be construed as conflicts of interest. Moreover, AFG will, consistent with its fiduciary duty, act in the clients' best interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

To mitigate clients' risks from conflicts of interest, AFG provides disclosures in this brochure. AFG also has policies and procedures that address conflicts of interest. Additionally, from time to time, AFG may provide additional disclosures if other conflicts of interest arise, including those that affect the objectivity of the recommendations provided by AFG. In addition, the Code of Ethics governs personal trading by each employee of AFG deemed to be an Access Person and is intended to

ensure that securities transactions effected by Access Persons of the Firm are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates.

AFG collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of AFG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AFG 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. While AFG will not discuss with clients each specific instance of trading at or around the same time as clients, the firm will document internally any transactions that would be construed as conflicts of interest. Moreover, AFG will, consistent with its fiduciary duty, act in the clients' best interest and will never engage in trading that operates to the client's disadvantage when representatives of AFG buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

AFG has a duty to select brokers, dealers and other trading venues that provide best execution for clients. The duty of best execution requires an investment adviser to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, taking into account all relevant factors. The lowest possible commission, while very important, is not the only consideration.

It is the policy of the Firm to seek best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. This applies to trading in any instrument, security, or contract including equities, bonds, and forward or derivative contracts.

The standards and procedures governing best execution are set forth in several written policies. Generally, to achieve best execution, the Firm considers the following factors, without limitation, in selecting brokers and intermediaries:

- Execution capability;
- Order size and market depth;
- Availability of competing markets and liquidity;

- Trading characteristics of the security;
- Availability of accurate information comparing markets;
- Quantity and quality of research received from the broker dealer;
- Financial responsibility of the broker-dealer;
- Confidentiality;
- Reputation and integrity;
- Responsiveness;
- Recordkeeping;
- Ability and willingness to commit capital;
- Available technology; and
- Ability to address current market conditions.

The Firm evaluates the execution, performance, and risk profile of the broker-dealers it uses at least annually.

We typically recommend Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian.

AFG is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as a custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Products and services available to the Firm from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. Schwab provides Spring Street and our clients with access to institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (i.e., we do not have to request them) and at no charge to us. Here is a more detailed description of Schwab's support services:

Services that Benefit Clients Directly

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit each client.

Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit a specific client. These products and services assist us in managing and

administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as trade confirmations and account statements);
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of our fees from our clients' accounts; and
- Assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include (among others) the following:

- Educational conferences and events
- Technology, compliance, legal, and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers
- Schwab will provide some of these services itself or will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of the services described above from Schwab benefits us because we do not have to produce or purchase them. They are not contingent upon Spring Street committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as a custodian and broker is in the best interest of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that benefit only us.

Clients are encouraged to discuss any questions they have about this arrangement and its potential impact on the recommendations they receive

1. Research and Other Soft-Dollar Benefits

While AFG has no formal soft dollars program in which soft dollars are used to pay for third party services, AFG may receive research, products, or other services from custodians and broker-dealers in connection with client custodial accounts, but not as

a result a certain amount or type of transactions executed through the broker-dealer. There can be no assurance that any particular client will benefit from this research, whether or not the client's transaction costs paid for it. AFG benefits by not having to produce or pay for the research, products or services, and AFG will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that AFG's acceptance of these benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

AFG 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

AFG will require that clients use Charles Schwab & Co., Inc. to execute transactions based on where the client's assets are held. By directing brokerage, AFG may at times be unable to achieve most favorable execution of client transactions which could cost clients' money in trade execution. Costs may differ between different custodians/broker-dealers. However, custodians/broker-dealers will be recommended based on AFG's duty to seek "best execution," as referenced above. Not all advisers require or allow their clients to direct brokerage.

Not all advisers require their clients to direct brokerage arrangements (e.g. utilizing one broker in all transactions). The direct brokerage arrangement has its benefits and detriments. Affecting transactions through the use of one broker may cost clients more money because other alternatives may be available for a less costly execution. In some instances, the adviser's ability to aggregate orders with one broker may serve to reduce the transactions costs charged to the client. When/if a client's order is aggregated with an order from another client, any transactions costs charged by the broker for the order will be divided and shared among the clients subject to the aggregated order based on the percentage determined by dividing the dollar value of each client's order by the dollar value of the aggregated order.

B. Aggregating (Block) Trading for Multiple Client Accounts

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. Given the highly individualized nature of the investment services we provide as well as the types of investments we allocate to, securities transactions for client accounts are generally affected separately for each account and it is not in the best interest of the client for us to aggregate trades. We do, however, periodically rebalance our model portfolios as needed, resulting in trades many client accounts at once.

C. Trade Error Policy

AFG maintains a record of any trading errors that occur in connection with investment activities of its clients. Both gains and losses that result from a trading error made by AFG will be borne or realized by AFG.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for AFG's advisory services provided on an ongoing basis are reviewed at least annually by Dustin Charles Newton, CEO/COO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at AFG are assigned to this reviewer.

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

The timing of internal portfolio reviews may also be guided by the underlying assets of the portfolio, individual circumstances as reasonably known by the Advisor, market conditions and the request of the Client.

Reviews may also be triggered by material market, economic or political events. Reviews are likely to be triggered by reported changes in the Client's financial situation (which may include but are not limited to termination of employment, physical relocation, inheritance or retirement).

With respect to financial plans, AFG's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of AFG's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

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

Other than the benefits described in Item 12 above, outside compensation of investment adviser representatives in Item 5E above, and the below in Item 14 AFG does not receive any economic benefit, directly or indirectly from any third party for advice rendered to AFG's clients.

With respect to Schwab, AFG receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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. For AFG client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to AFG other products and services that benefit AFG but may not benefit its clients' accounts. These benefits may include national, regional or AFG specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of AFG by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist AFG in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of AFG's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of AFG's accounts. Schwab Advisor Services also makes available to AFG other services intended to help AFG manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to AFG by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or

a part of the fees of a third-party providing these services to AFG. AFG is independently owned and operated and not affiliated with Schwab.

B. Compensation to Non - Advisory Personnel for Client Referrals

AFG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Custody means holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them. The Firm does not hold custody of any client accounts, other than the authority, after authorization from the client, to withdrawal management fees directly from client accounts. The Firm will not maintain physical possession of client funds and securities. Instead, clients' funds and securities are held by a qualified custodian. Most individual client accounts will be maintained by Schwab (see Item 12, including that AFG is likely to recommend Schwab).

While the Firm does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application.

In certain jurisdictions, the ability of the Firm to withdraw its management fees from the client's account may be deemed custody. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of the Firm's advisory calculation. Therefore, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact the Firm directly if they believe that there may be an error in their statement.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client accounts for which AFG directly debits their advisory fee:

- i. AFG will send a copy of its invoice to the custodian at the same time that it sends the client a copy.

- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to AFG, permitting them to be paid directly for their accounts held by the custodian.

Item 16: Investment Discretion

AFG provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. This authority will be granted by clients upon completion of the investment agreement. This authority allows the Firm and its affiliates to implement investment decisions without prior consultation with the client. Such investment decisions are made in the client's best interest and in accordance with the client's investment objectives. Other than agreed upon management fees, this discretionary authority does not grant the Firm the authority to have custody of any assets in the client's account or to direct the delivery of any securities or the payment of any funds held in the account. The discretionary authority granted by the client to the Firm does not allow the Firm to direct the disposition of such securities or funds to anyone except the account holder.

Where investment discretion has been granted, AFG 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 amount of the securities to be bought/sold, what securities to buy or sell, the price per share, and whether to engage third party managers to manage all or a portion of the client's portfolio. In some instances, AFG's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to AFG).

Item 17: Voting Client Securities (Proxy Voting)

AFG will not ask for, nor accept voting authority for client securities. The client will receive all proxies or other solicitations directly from the custodian or transfer agent. Clients are encouraged to read through the information provided with the proxy voting documents and to make a determination based on the information provided. Upon the client's request, Firm representatives may provide limited clarifications of the issues presented in the proxy voting materials based on his or her understanding of issues presented in the proxy voting materials. However, clients have the ultimate responsibility for making all proxy voting decisions.

Item 18: Financial Information

A. Balance Sheet

AFG neither requires nor solicits prepayment of more than \$1,200 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 AFG nor its management has any financial condition that is likely to reasonably impair AFG's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

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