Ausdal Financial Partners, Inc.

5187 Utica Ridge Road
Davenport, IA 52807

563-326-2064
www.ausdal.com

FORM ADV PART 2A
BROCHURE

March 31, 2025

This brochure ("Brochure") provides information about the qualifications and business practices of Ausdal Financial Partners, Inc. If you have any questions about the contents of this Brochure, please contact Ausdal Financial Partners at (800) 722-8732 or ausdal@ausdal.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 Ausdal Financial Partners is available on the SEC's website, www.adviserinfo.sec.gov, and searching the CRD number for the advisor: 7995.

Ausdal Financial Partners is a registered investment advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisors to amend their brochure when information becomes materially inaccurate. If there are any material changes to an Advisor's disclosure brochure, the Advisor is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 26, 2024, we amended our Form ADV, Part 2A and made the following material changes:

- AFP no longer offers the Proprietary Advisory Program. Therefore, all disclosures related to the Proprietary Advisory Program have been removed from this Brochure.

- AFP enhanced disclosures related to annuity fees and added disclosures related to insurance product sales and our relationship with various insurance marketing organization (IMOs). IMOs provide marketing assistance and economic benefits to AFP and AFP's dually registered investment advisor representatives and licensed insurance agents which presents direct and indirect conflicts of interest. Refer to Item 5 and Item 10, respectively, for additional information.

- AFP added the following disclosure, "To assist with the costs associated with transitioning from another broker-dealer or registered investment Advisor, we offer various benefits and/or payments to certain IARs who are newly associated with the Firm. These transition assistance payments are intended to help cover expenses such as working capital to support the IA Rep's business, repayment of outstanding debt to their previous firm, technology setup fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space costs, and staffing support. The amount of transition assistance provided is generally based on the IAR's gross dealer concessions (GDC) and is typically structured as a combination of an upfront payment (50%) and a subsequent payment after one year or provided in the form of a forgivable loan. The receipt of this assistance creates a potential conflict of interest, as it provides a financial incentive for the IA Rep to recommend that clients open and maintain accounts with the Firm."

- Additionally, AFP added the following disclosure, "Pershing, Axos, Schwab, and other custodians provide financial assistance to the firm and Investment Advisor Representatives (IARs) through reimbursements for client account transfer fees and other practice management-related costs incurred by IARs. The level of assistance varies based on the assets an IAR brings to the custodian's platform, creating a potential conflict of interest. This financial incentive can influence an IAR's decision to recommend one custodian over another, regardless of whether it is in the best interest of the client. The firm and its IARs seek to mitigate this conflict by disclosing these arrangements and ensuring that custodian recommendations are based on the client's needs and best interests.

- Lastly, AFP added a disclosure related to forgivable loans. AFP provides financial assistance to certain investment advisor representatives that join the firm by issuing a forgivable loan. The investment advisor representative can also be a registered representative with AFP. Refer to Item 14 for additional information.

Item 3 Table Of Contents

Item 4 Advisory Business

Description of Firm
We are an Iowa corporation headquartered in Davenport, Iowa, founded in 1979 as a securities broker-dealer firm. We are registered with the Securities and Exchange Commission as a broker-dealer and operate in all 50 states and the District of Columbia. We are a member of the Financial Industry Regulatory Authority ("FINRA"). In 1991 we registered with the SEC as an investment advisor. We are a closely held corporation with no single shareholder owning 25% or more of our stock.

As a registered investment advisor and broker-dealer, as well as a licensed insurance broker, we offer investment advisory services and facilitate the sale of securities and insurance products. Pershing, LLC ("Pershing"), serves as the clearing broker-dealer for AFP's brokerage business and provides custodial services for some of our advisory clients. Additionally, Charles Schwab & Co., Inc. ("Schwab") and Axos Advisors Services ("Axos") serve as custodians for advisory accounts.

This Brochure provides important information about Ausdal Financial Partners, Inc. (referred to as "AFP, "Advisor", "The Firm," "we," or "us"), our services, our compensation, the costs of participating in our various programs, and situations where our interests can conflict with the interests of our Clients.

Our firm offers services through our network of investment advisor representatives ("IARs" or "IA Rep"). Investment advisor representatives often use D/B/A names ("doing business as" names) or may have their own legal business entities whose trade names and logos are used for marketing purposes that appears on marketing materials or client statements. In certain instances, the D/B/A or trade name is listed on your investment advisor representative's Form ADV 2B Brochure. You should understand that the businesses are legal entities of the investment advisor representative and not of our firm, Ausdal Financial Partners, Inc. ("AFP"). The investment advisor representatives are under the supervision of AFP, and the advisory services of the investment advisor representative are provided through AFP. For a complete list of the business entities please refer to Schedule D of our Form ADV1A, accessible through the SEC's website, www.adviserinfo.sec.gov.

You should pay particular attention to the discussions about our various conflicts of interest because these can affect our judgment in managing your account, in choosing brokers to execute trades for your account, and in recommending custodians, among other important considerations.

You should also keep in mind that a number of separate businesses provide the various investment products and services described in this Brochure. These businesses' legal, contractual, and regulatory obligations differ in important ways depending on whether, in providing the product or service, they are acting as custodian, broker-dealer, third party manager, or insurance company.

If you have questions about the information in this Brochure, you can reach the investment advisor representative (an "IA Rep") at the email address, telephone number, or street address shown in the Brochure Supplement you received from your Advisor. You can reach our senior management, including our Chief Compliance Officer, at the email address, telephone number, or street address shown on the front of this Brochure.

Our Advisory Services
We offer a broad range of investment advisory programs and services, either directly or together with a third party investment advisor, through one of the following advisory programs (collectively, the "Managed Programs"):

- Advisor Managed Account Program ("AMP Program")
- Separately Managed Account Program ("SMA Program")
- Unified Managed Account Program ("UMA Program")
- Third Party Advisory Services
- Retirement Plan Advisory Program
- Financial Planning Services

Some of these programs are offered through a Wrap Fee Program to serve Clients who would like to combine the costs of advisory and custodial services into a single fee. Clients interested in a wrap fee program may request a copy of our Wrap Fee Brochure which provides further information. The Wrap Fee Brochure is available from your Advisor or through the contact information on the front of this Brochure.

Below we provide key information about fees, expenses, risks, conflicts of interest and other factors to consider when evaluating our programs and services. However, this Brochure offers a general overview and may not cover all details relevant to you. Please refer to your individual Advisory Agreement for specific terms and discuss any questions with your investment advisor representative ("IA Rep").

INVESTMENT ADVISORY PROGRAM – ADVISOR MANAGED ACCOUNT

Advisor Managed Account Program
The Investment Advisory Program - Advisor Managed Account (AMP) offers a personalized and flexible investment management solution designed to align with your financial objectives. This program provides direct portfolio management by your Investment Advisor Representative ("IA Rep"), allowing for tailored investment strategies that adapt to your needs. Execution, clearing, and custodial services are primarily facilitated through Pershing, LLC ("Pershing"), Charles Schwab & Co., Inc. ("Schwab"), and Axos Advisors Services ("Axos"), along with other custodians as appropriate.

This program includes risk assessment tools, rebalancing features, and fund performance analysis. Based on discussions with your IA Rep and an evaluation of your risk tolerance, financial objectives, time horizon, and other personal factors, your Investment Advisor Representative ("IA Rep") has the flexibility to allocate assets across a range of investment options, including stocks, bonds, exchange-traded funds (ETFs), mutual funds, alternative investments and other securities ("Program Assets").

Clients have the option to customize their portfolios by setting reasonable investment restrictions. These may include avoiding specific industries, companies, or asset classes based on ethical, personal, or strategic considerations. If you wish to impose or modify investment limitations, please contact your IA Rep.

It's important to note that restricted accounts can experience different performance results compared to unrestricted portfolios, as sector weightings, risk profiles, and overall investment characteristics may vary.

IA Reps and Advisor are not responsible for investment limitations imposed by clients, third parties, or outside entities (e.g., client employers) unless such restrictions are formally documented and accepted by the IA Rep in writing.

Clients participating in the Advisor Managed Account Program will enter into an advisory agreement with us and establish an account with the Custodian, which will hold assets and provide brokerage services.

<u>Discretion on Accounts</u>
In the Advisory Agreement for Advisor Managed Accounts, clients will specify whether they grant discretionary authority to AFP (and the Advisor, acting on AFP's behalf) to buy and sell securities and act as the client's limited agent to execute transactions for their Program Account and Program Assets without prior approval. This discretionary authorization remains in effect until the client modifies or revokes it in writing.

Discretionary authority does not permit AFP or its Advisors to withdraw funds from client accounts, except for advisory fee payments.

Clients who do not grant discretionary authority must select 'Non-Discretionary Trading Authorization' on the Advisory Agreement. Non-discretionary accounts are typically not included in block orders with discretionary accounts and do not benefit from shared execution costs or average pricing. As a result, transaction costs, execution quality, and overall performance for non-discretionary accounts may be less favorable compared to discretionary accounts.

<u>Differences Among Advisors' Accounts</u>
Advisors employ different investment strategies and styles, tailoring their selections based on each Client's personal and financial situation, as well as factors such as investment objective, risk tolerance, liquidity needs, and time horizon. As a result, volatility, fees, expenses, returns, and overall performance may vary significantly among Managed Accounts, even when managed by the same Advisor, and across different Advisors.

When managing Client accounts, Advisors act on behalf of AFP, and any discretion granted by the Client, is granted to AFP. Advisors exercise such discretion in their capacity as AFP's investment advisor representative. While AFP supervises Advisors and monitors client accounts, it does not dictate or require specific investment strategies or styles.

Because our investment strategies are customized to each client's unique financial situation, the advice an Advisor provides to you may differ from or even conflict with the advice given to other clients regarding the same security or investment.

INVESTMENT ADVISORY PROGRAM – THIRD PARTY MANAGED ACCOUNTS

Through the following third party managed programs, investment management is provided on a discretionary basis, meaning the third party manager and AFP, along with your IA Rep, have the authority to make investment decisions on your behalf without requiring prior approval for each transaction. This includes selecting securities, rebalancing portfolios, and executing trades in accordance with your investment objectives, risk tolerance, and overall financial strategy. Third Party Managed accounts custodied at Pershing & Goldman Sachs operate within a Wrap Account program, bundling advisory, brokerage, and custodial services into a single annual asset-based advisory fee.

Third Party Managed accounts custodied at Schwab and Axos are part of a non-Wrap program, where fees are charged separately for investment advisory and administrative services, along with additional transaction-based charges.

These differences in fee structures are due to variations in transaction charges among different custodians.

Separately Managed Account Program

Investment Advisory Program – Separately Managed Account (SMA) allows you to invest in professionally managed investment strategies offered by unaffiliated third party investment management firms. These firms create and manage tailored investment strategies designed to align with your financial goals and risk tolerance.

SMAs provide direct ownership of individual securities within your portfolio, offering greater customization, tax efficiency, and transparency compared to pooled investment vehicles like mutual funds. Your Investment Advisor Representative (IA Rep) will help you select an SMA strategy that fits your financial objectives, allowing for personalized investment management and active portfolio oversight.

Some SMA strategies operate under a dual contract arrangement, where the third party manager trades directly within your account. Others deliver model portfolios that are implemented through a third party service provider, such as Advyzon. Your IA Rep will work with you to determine the best structure based on your needs and investment preferences.

Unified Managed Account Program
Investment Advisory Program – Unified Managed Account (UMA) enables you to diversify your assets across multiple investment strategies and asset classes through a single, customized portfolio. This program implements a comprehensive asset allocation strategy that combines various investment vehicles within one account, providing an integrated approach to portfolio management.

After discussing your financial goals and objectives with your IA Rep, you will receive a recommendation for a UMA Model tailored to your risk profile and investment preferences. This model typically consists of investment strategies managed by third party investment managers and/or your IA Rep, incorporating a selection of mutual funds; money market funds; closed-end funds; exchange-traded funds ("ETFs"), including inverse and leveraged ETFs; common and preferred stocks; real estate investment trusts ("REITs"); business development companies; non-traded closed end funds; as well as direct obligations issued or guaranteed by the U.S. Treasury, government agencies, or government sponsored entities.

Your IA Rep will recommend a UMA Model to you based on your responses to a risk tolerance questionnaire and discussions regarding your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation.
All UMA recommendations are made on a discretionary basis, meaning your IA Rep has the authority to make investment decisions on your behalf without requiring prior approval for each trade or adjustment.

Additionally, you have the option to impose reasonable investment restrictions within your UMA and SMA account to align with your personal or ethical preferences. It's important to note that restricted accounts may experience different performance results compared to unrestricted portfolios, as sector weightings, risk profiles, and overall investment characteristics may vary.

Changes In the Managers & Strategies
We retain the authority to modify, add, or remove third party managers or specific strategies at our discretion and without prior notice to the Client. If a manager or strategy is changed or removed, we will assign a suitable manager or strategy to the account and notify the Client accordingly. If the Client objects to the new designation, we may terminate the Advisory Agreement.

THIRD PARTY SPONSORED ADVISORY SERVICES AND PROGRAMS

Third Party Money Managers and Turnkey Asset Management Programs

We offer clients access to a variety of investment advisory programs sponsored by Third Party Money Managers (TPMMs) or Turnkey Asset Management Programs (TAMPs). These programs provide access to professional investment management firms that design and manage portfolios aligned with different risk profiles and financial objectives.

Third Party Money Managers (TPMMs) - TPMMs are independent investment management firms that provide specialized portfolio management services. They typically offer model portfolios or custom investment strategies based on specific asset classes, sectors, or risk tolerances. TPMMs maintain full discretion over the investment process, making buy and sell decisions on behalf of clients based on the predefined strategy.

Turnkey Asset Management Programs (TAMPs) - TAMPs offer a comprehensive, outsourced investment management solution, providing portfolio construction, trading, rebalancing, performance reporting, and back-office support in a single platform. These programs allow advisors to streamline portfolio management by leveraging the TAMP's infrastructure rather than managing investments in-house. TAMPs often include a selection of TPMMs within their platforms, giving advisors and clients access to a wide range of investment strategies.

Under these programs, Ausdal Financial Partners (AFP) acts as a sub-advisor or, in some cases, as a promoter. As a sub-advisor, AFP provides investment recommendations and oversight, ensuring that third party managers implement strategies that align with client objectives. AFP will share in the fees collected by the TPMMs or TAMPs when acting as a sub-advisor. As a promoter, AFP introduces clients to TPMMs or TAMPs and facilitates their engagement with these programs while the third party manager retains full discretion over investment decisions. AFP can receive compensation for its role as a promoter.

The amount of compensation received by AFP and your IA Rep from a particular TPMM or TAMP may be higher than that received from another, as compensation structures vary by product type and provider. This creates a conflict of interest, as your IA Rep has a financial incentive to recommend one TPMM or TAMP over another. There may be other suitable TPMM or TAMP programs available at different cost structures. If you would like additional information regarding costs, please discuss this with your IA Rep.

Changes in TAMPs and TPMMs

We retain the authority to modify, add, or remove Third Party Asset Management Platforms (TAMPs) and Third Party Money Managers (TPMMs) at our discretion and without prior notice to the Client. If a TAMP or TPMM is removed from our platform, we will make reasonable efforts to identify and facilitate an appropriate accommodation for affected accounts. In some cases, transitioning to a new manager or strategy may require the Client to complete new account paperwork, execute a new agreement, or provide positive consent before the change can take effect. If a replacement manager or strategy is assigned, we will notify the Client accordingly. If the Client objects to the new designation, we may terminate the Advisory Agreement.

RETIREMENT PLAN ADVISORY PROGRAM

AFP offers portfolio management services for qualified plans and participant-level retirement accounts such as 401(k) plans, Profit Sharing Plans (PSPs), and similar employer-sponsored plans. These plans are accessible through Fidelity via brokerage link accounts and Schwab through Personal Choice Retirement Accounts (PCRA).

AFP also provides advisory services for 401(k), 457, and other held-away accounts that are not custodied at one of our primary custodians through Pontera, a third party platform that enables advisors to monitor, trade, and rebalance client assets across various retirement plans. This service allows AFP and its IA Reps to provide professional oversight while ensuring investment strategies align with clients' financial objectives. Pontera accounts are only available for plans that have an authenticated website with username and password credentials. The plan itself dictates the investment options available within the Pontera account, and the IA Rep is responsible for managing investments based on those predefined options.

A client agreement is required to establish management of these accounts.

Through these avenues, AFP and IA Reps are able to:

- Provide fiduciary oversight to help clients manage their retirement assets effectively.
- Offer ongoing portfolio management and rebalancing within employer-sponsored plans.
- Implement a holistic financial strategy that integrates retirement accounts with other managed investments.

At no time will AFP act as custodian of the plan or have direct access to plan funds or securities. The plan's custodian, as selected by the Plan Sponsor, maintains custody of all plan assets and processes securities transactions as directed by the IA Rep.

Your employer, as the Plan Sponsor, is responsible for negotiating and determining all fees, costs, and expenses associated with your retirement plan, including but not limited to transaction fees, trading and execution costs, brokerage service charges, and custodial expenses. Apart from the Advisor Fee, your IA Rep does not control or negotiate any of these plan-related fees.

For additional details on fees, costs, and expenses, please review your retirement plan's account-opening documentation and any related fee schedules. Additionally, refer to the prospectuses and disclosure documents for each available investment option to understand specific costs, including 12b-1 fees, money market expenses, and mutual fund fees.

FINANCIAL PLANNING SERVICES

Through our Financial Planning Services, the Client's Advisor meets with the Client to discuss and analyze the Client's investments and financial situation, and help the Client to identify his or her investment goals and objectives, tolerance for risk, and investment time horizon, among other key factors to developing a financial plan. Based on the information provided by the Client, the Advisor will develop recommendations to help the Client towards achieving his or her investment objectives.

For example, the Advisor may recommend that the Client purchase or sell securities or insurance products, reallocate existing investments, or take other steps to achieve their objectives. However, the Client will not have any obligation to buy or sell any securities or insurance products, or otherwise implement the Advisor's recommendations. If the Client chooses to implement recommendation made by the Advisor, the Client may choose any qualified broker-dealer or insurance agent for such transactions.

Clients who request Financial Planning Services may be asked to provide detailed information about the Client's personal and family situation, financial condition, investment objectives, risk tolerance, investment time horizon, estate and retirement plans, trust agreements, wills, investments, insurance, or other information necessary to provide the specific services requested.

AFP and Client will enter into a written Advisory Agreement that describes the specific Financial Planning Services AFP will provide, the Fees for such services, and whether any written report or financial plan will be provided. For example, in the Advisory Agreement, AFP may agree to provide any one or more of the following, among other services (all the "Financial Planning Services"):

Consulting Services: Upon Client's request, Advisor will discuss with Client in person or by telephone issues Client would like to discuss regarding Client's investments, portfolio, or financial goals and objectives. Generally, this service will not include any written report.

Portfolio Review: Advisor will review the Client's current investments and discuss with the Client the Advisor's assessment of whether the current portfolio is consistent with the Client's financial needs and investment objectives.

Retirement Planning: Advisor will discuss with Client estimates of the assets Client may need to retire at various assumed ages and the changes, if any, which Client may need to make in Client's current savings plan, investment portfolio, or investment strategies to improve the Client's ability to reach his or her financial objectives.

Business Planning: Advisor will review succession planning for Client's business and other specific topics of interest identified by the Client.

Asset Allocation: Advisor will discuss with the Client alternative allocations of Client's investments among various asset classes, and estimates for the effects changes may have on the Client's portfolio at certain points in the future. While AFP believes that asset allocation represents a reasonable approach for helping certain Clients to achieve their financial objectives, implementation of an asset allocation strategy provides no assurance that Client's financial objectives will be attained or that Client will not sustain losses in Client's investment portfolio.

Education Funding: Based on information provided by the Client regarding Client's plans for children's (or grandchildren's) education, the Advisor will discuss with the Client estimates of the amounts necessary to fund the planned education.

Estate Tax Planning: The Advisor will discuss with Client estimates of federal and state estate taxes that may be due at the time of Client's death, and strategies for minimizing such taxes. Please see the limitations described in the section below titled, *Taxes; Services by Accountants* with respect to any tax advice you receive from an Advisor.

Survivor Income Analysis: The Advisor will discuss with Client the amounts of income that may be available to Client or Client's spouse upon the death of each other, or to their surviving heirs.

Disability Income Analysis: The Advisor will discuss with Client estimates of Client's disability income needs, as well as a description of existing disability coverage and recommendations regarding such coverage.

In providing the Financial Planning Services, the Advisor will rely on assumptions or estimates regarding a number of important factors that may or may not turn out to be accurate at any time. These assumptions will often include subjects such as future market performance and investment returns, anticipated and reasonably foreseeable living and medical expenses, tax laws, interest rates, and other factors. As a result of likely differences between the items assumed and the actual situation at any time in the future, Client's (or Client's successors') financial situation or needs may be materially different than anticipated and Client's financial or investment objectives may not be achieved.

Unless specifically agreed in the Client's Advisory Agreement, AFP will not provide a written report or written plan in connection with the Financial Planning Services. If the Advisory Agreement provides for a written report or written financial plan, it will usually include recommendations to assist the Client in achieving his or her financial goals and objectives through purchasing or selling investments, purchasing new or revising existing insurance products or policies, establishing or participating in tax qualified accounts, or increasing or decreasing amounts held in savings accounts or other liquid investments.

If the Client elects to purchase any securities (including mutual funds, 529 Plans or Accounts, or variable products or insurance) or insurance products (including life insurance, fixed annuities, or long-term care products) recommended in connection with the Financial Planning Services, AFP and the Advisor will receive brokerage commissions and asset-based sales charges and service fees (including 12b-1 Fees), and insurance commissions as a result of those purchases. The possibility of such additional compensation creates a conflict that can affect the recommendations made to the Client. The Client is under no obligation to implement or otherwise act upon AFP's or an Advisor's recommendations; and if the Client elects to implement or act upon any such recommendation, the Client is under no obligation to affect any transactions through AFP, Advisor, or any other associated person, broker-dealer, or affiliate of AFP.

Changes In Client Circumstances
Clients are advised that changes in their personal or financial situation, investment objectives, tolerance for risk, or investment time horizon may cause the strategy or portfolio designated for the Client's account to become no longer suitable. In the event of any material change in Client's personal or financial circumstances, Client should contact the Advisor or us promptly so that we may assist in identifying another program, strategy or other investments that better meet the Client's needs.

Management of Account Until We Receive Written Notice
Unless and until the Client notifies us in writing to designate a different portfolio for their account, to notify us of material changes in their Suitability Information, or to impose reasonable restrictions on the investment of their account, we will continue to manage the account according to the Suitability Information in our records. Clients should inform us promptly of significant changes in their individual or family circumstances or financial situation, or in the investment goals or objectives, investment time horizon, tolerance for risk, or liquidity needs of the account so that appropriate changes can be made.

Taxes & Services by Accountants
In taxable accounts, AFP and Advisor will use reasonable efforts to follow the instructions of Client and Client's tax advisors regarding the timing and recognition of taxable gains and losses, subject to applicable tax laws and regulations, as we understand them. Client must acknowledge AFP and Advisor are not acting as accountants or tax advisors, and are not providing tax advice; Client must rely on his or her own tax advisors with respect to the tax consequences of transactions involving the

Program Assets; provided, in any situation where an Advisor conducts business as an accountant and provides tax advice for Clients separate and apart from services as an Advisor on behalf of AFP, Clients must acknowledge such advice is provided by the Advisor-Accountant in his or her separate capacity and is not provided by or on behalf of AFP and AFP has no responsibility or liability for the advice provided in such separate capacity.

Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

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; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and our advisory fees. Therefore, both our Firm and IARs have financial incentives to recommend plan and/or IRA rollovers to plans and IRAs serviced by us. However, you are under no obligation, contractually or otherwise, to proceed with the rollover and may choose to keep your assets in the current plan or explore other options.

Additionally, some IARs are not licensed to provide brokerage services. As a result, our Firm and these IARs have additional incentives to recommend that clients roll over, transfer, or otherwise convert brokerage accounts held at other financial institutions including IRAs, retirement plan accounts, or other types of brokerage accounts into advisory accounts with our Firm

Advisory Program Assets

As of December 31, 2024, we managed $2,134,630,562 of Client assets, as follows:

- $2,004,053,325 on a discretionary basis; and
- $130,577,237 on a non-discretionary basis.

Item 5 Fees and Compensation

Investment Advisory Program – Advisor Managed Account

An Advisor Managed Account is offered as a Wrap or Non-Wrap account. In a wrap account, no separate transaction charges apply, and a single fee is paid for all advisory services and transactions. In a Non-Wrap account, you will pay a fee for investment advisory and administrative services, along with additional charges for each transaction. You may pay a higher or lower fee in a Wrap account than the sum of investment advisory fees and transaction charges in a Non-Wrap account.

For Schwab accounts, in a Wrap arrangement, the IAR covers transaction costs incurred from trades. This structure may create a conflict of interest, as the advisor might trade less frequently or limit trades to no-transaction-fee securities to minimize costs.

For accounts custodied at Pershing and other custodians, in a Wrap arrangement, the IAR may pay a higher fee to eliminate transaction charges for the client. However, this could incentivize the advisor to charge a higher investment advisory fee to offset these costs.

Account fees are assessed on a monthly or quarterly basis, either in advance or arrears, based on the market value of assets held in your account as of the last business day of the preceding month or quarter. If the account is terminated, you will be entitled to a pro-rata refund of any prepaid monthly or quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received.

IA Rep negotiates his or her own account fee schedule. Your account fees are negotiable and will be debited from your account by the custodian.

The maximum annual fee to be charged to the client's account(s) will not exceed 3%.

<u>Margin Accounts</u>

Clients utilizing margin accounts should be aware that advisory fees are calculated based on the net account balance, excluding any margin balances. Our Firm does not bill advisory fees on borrowed funds or margin balances. Instead, fees are assessed solely on the client's net invested assets, which represent the total account value minus any outstanding margin debt.

Investment Advisory Program – Third Party Managed Accounts

As described in Item 4, Clients who participate in a Third Party Managed Account whether it is Separately Managed Account (SMA) or Unified Managed Account (UMA) will enter into an advisory agreement with AFP pursuant to which the Client agrees to pay AFP a Program Fee that consists of Investment Advisor Representative Fee, Platform Fee, and Manager Fee(s).

Investment Advisor Representative Fee – A fee charge by AFP for compensation to the Advisor advising the Client.

Platform Fee - A fee charged by AFP for administration and operation of a Third Party Program where AFP serves as Sponsor of the Program. The Advisor Platform Fee will be disclosed to the Client prior to entering into the Advisory Agreement. The Platform fee ranges between 11 and 28 basis points. Advisor offers a platform pricing discount based on account value. Platform fee discounts will be determined based upon the value of the account at the time of billing.

Manager Fee - A fee charged by the Third Party Investment Manager for their models and strategies offered through AFP's program. Manager Fees can range from 0 to 80 basis points depending on the strategy selected. For a list of Investment Managers and associated fees, please visit the company website: www.ausdal.com/site-disclosures.

Depending on the custodian, certain administrative fees and expenses will be collected for each transaction. The Program Fee does not, without limitation, include any or some of the following ("Excluded Expenses"): the transaction fees charged for effecting securities transactions, the fees or expenses of the retirement plan (if any) governing the Account, the fees or expenses of Custodian or any third party administrator of the Account, fees or expenses associated with the underlying investment vehicles (such as redemption fees, internal operating or investment expenses, annuity contract charges, unit investment trusts, or electronically traded funds); fees for wire transfers; costs for exchanging currencies; margin interest; taxes; or other expenses incurred with respect to any investments made for the Account.

All or some of the Excluded Expenses will be direct or indirect expenses borne by the Account and will be in addition to the Program Fee. The Program Fee will not be reduced by or because of any such additional custodial fees and expenses.

Account fees are assessed on a monthly or quarterly basis in advance or in arrears, based on the market value of assets held in your account as of the last business day of the preceding month or quarter. If the account is terminated, you will be entitled to a pro-rata refund of any prepaid quarterly fees based upon the number of days remaining in the month or quarter after the date upon which the notice of termination is received. Accounts are debited at the beginning of the month or quarter billing period.

For details on your specific fee schedule and billing method, please refer to your executed Advisory Agreement.

The maximum annual fee to be charged to the client's account(s) will not exceed 3%.

Third Party Sponsored Advisory Services And Programs

Compensation for Third Party Advisory Services & Programs generally consists of the following components:

- Management fees paid to Third Party Money Managers (TPMMs).
- Platform fees paid to a Turnkey Asset Management Platform (TAMP), if applicable.
- Advisory fees paid to IA Rep.
- Custody and Transaction costs, if applicable, for purchasing and selling securities.

Your account will be held with the custodian selected by the TPMM or TAMP, where fees will be assessed and deducted. Similar investment strategies may be available through multiple TPMMs, TAMPs, or other advisory programs offered by Ausdal Financial Partners (AFP). You should be aware that comparable services may be available at lower costs from other sources.

Account fees paid by clients include portions allocated to:

- Your Investment Advisor Representative ("Investment Advisor Representative Fee").
- The Firm, custodian, and Third Party Money Managers ("Program Fees").

Additionally, mutual funds, exchange-traded funds (ETFs), and other pooled investment vehicles within the account have their own internal expenses, which are separate from the program account fees. For details on these expenses, refer to the applicable fund prospectus.

Because fees for Third Party Advisory Services typically include both Program Fees and Investment Advisor Representative Fees, your IA Rep has an incentive to select services with lower platform Program Fees to manage the overall cost to you. When selecting managers and portfolio investments, both you and your IA Rep should consider total fees and expenses, including internal fund expenses.

All fees and billing methodology will be disclosed in the agreement signed with the TPMM or TAMP and will be calculated and deducted by the third party. For more details, please review the Third Party Money Manager's disclosure brochures, investment advisory contracts, and account opening documents.

Each IA Rep negotiates their own management fee schedule; however, management fees charged by Third Party Advisory Services for their services are not negotiable.

Sponsors share a portion of their Program Fee with AFP (typically, not more than 15 basis points based on the Client's account value). The payment provides an incentive to recommend the Sponsor, and its Third Party Program based on the share of Program Fees received rather than based solely on the Client's investment needs or interest in advisory services at reasonable cost.

Retirement Plan Advisory Program

Under the Retirement Plan Advisory Program, you pay management fees to the Firm and your IA Rep in accordance with a client fee schedule, with a maximum annual fee of 3%. Fees are assessed either as a fixed percentage of the total assets in your account or through a tiered fee structure, where the percentage-based fee decreases as your account assets grow. The specific fee charged, or fee schedule applied will be disclosed to you before services are provided.

Fees are negotiated based on various factors, including the complexity of your financial situation, the investment services to be provided, the experience and standard fees of your IA Rep, and the nature and total dollar value of the Plan Assets in your account. The management fee covers only the investment management services provided by us and does not include brokerage commissions, custodial fees, interest, taxes, transaction costs, or other expenses related to the purchase and sale of securities.

<u>Held Away Accounts</u>

All held-away accounts under management must be executed through Pontera, with a maximum advisory fee of 1.5% of account assets. Pontera accounts are not eligible for direct debiting of advisory fees. Instead, any advisory fees must be deducted from an alternate advisory account that is not a qualified or retirement account or must be billed directly to the client.

Financial Planning Services

Our Financial Planning fees are negotiated on a case-by-case basis, depending on the complexity and scope, financial situation and objectives and the nature and extent of planning and analysis required. The fees and services will be outlined in the Financial Consulting agreement and are payable as agreed to between the Advisor and the Client. In no case shall the payment schedule cause a client to prepay more than $1,200 six months or more in advance of completion of the Financial Planning services.

Please refer to the below section regarding the termination of Advisory Agreements. Fees shall be prorated based on the proportion of the Financial Planning Services that have been completed as of the date the Agreement terminates; to the extent the proportion of services completed exceeds the amount of the prepaid fees, the Client shall owe the balance.

Negotiation of Fees

All terms and conditions with respect to each Client's relationship with AFP, including without limitation, fees, minimum account sizes, and other terms are negotiated on a case-by-case basis. In making these determinations, we typically consider factors such as the total assets a Client and related accounts place under management, anticipated future revenues and assets, other potential business from the Client or related persons, and existing or prospective relationships. At our discretion, we aggregate related Client accounts to facilitate negotiations and achieve preferred terms.

Because fees and other terms of our Advisory Programs and services are individually negotiated, some Clients and accounts receive lower Advisory Fees or more favorable terms than others. Additionally, we offer waivers, discounts, or preferential terms—typically unavailable to other Clients—to family members and friends of our Advisors, employees, and affiliates.

Information About Wrap Fee Programs

Wrap Fee Advisory Programs differ from traditional investment advisory arrangements.

In a traditional investment advisory arrangement, clients pay a separate advisory fee based on a percentage of assets under management, along with transaction-based costs such as brokerage commissions and execution fees for each trade placed in their account. In contrast, a wrap fee program charges a single fee that covers investment advisory services from AFP and its advisors, brokerage execution services (except for limited exceptions noted in each program's agreements), and, where applicable, custodial services. The total wrap fee consists of both the Advisory Fee and the Program Fee, which are calculated as a percentage of the account's assets.

Wrap fee programs can offer benefits but may not be suitable for all clients. The cost-effectiveness of a wrap arrangement depends on several factors, including the amount of the wrap fee, the frequency and types of securities traded, and the brokerage commission costs in a traditional account compared to the wrap fee. Clients with low trading activity or those primarily investing in no-transaction-fee mutual funds (NTF Funds) may pay more in a wrap program than they would under a traditional structure with separate fees. Conversely, clients pursuing active trading strategies, particularly with securities that incur higher transaction costs, may find the wrap fee structure more cost-effective than paying separate advisory and brokerage fees.

Wrap fee programs may also create incentives and conflicts of interest. Since trading costs are absorbed within the wrap fee, advisors may have a financial incentive to limit trading to reduce costs, potentially impacting investment performance. In certain custodial arrangements, such as Schwab wrap accounts, AFP and its IARs absorb transaction fees, which may encourage advisors to trade less frequently or favor no-transaction-fee securities. Additionally, at Pershing and other custodians, advisors may incur higher costs to cover client transaction fees, which could lead to increased advisory fees.

Clients should carefully review the total cost of the wrap fee, including both the Advisory Fee and Program Fee, along with anticipated trading activity and potential costs in a traditional (non-wrap) structure. There is no guarantee that any specific fee structure will result in better investment returns. Clients should discuss their options with their investment adviser representative (IA Rep) to determine which approach best suits their investment objectives.

Fair Valuation of Illiquid Assets

Some Advisor Managed Accounts can hold illiquid assets. For billing purposes, we generally rely on the custodian's reported values. However, certain illiquid assets may be excluded from billing at our discretion. When such assets are included, we seek to use the most current values provided by the asset sponsor. If a sponsor value is unavailable or deemed unreliable, AFP will assign a value in good faith based on our assessment.

For SMA Program Accounts, Third Party Assets shall be valued according to the terms of the Sponsor's Managed Program Agreement.

Risk of Liquidations to Pay Advisory Fees

The Custodian of a Program Account is authorized to deduct Advisory Fees. If there is insufficient cash in the Program Account to cover any fees or expenses when due, the Custodian is authorized to liquidate securities selected by the Custodian or AFP (or the Third Party Program Sponsor or any Third Party Manager) without prior notice to the Client.

If mutual funds are liquidated, the Client can incur applicable charges, including contingent deferred sales charge, early redemption fee, or fees designed to discourage short-term trading. Additionally, if the liquidated securities have declined in value, the Client will realize a loss and forgo potential future appreciation.

Termination of Advisory Agreements

Subject to the terms of any Advisory Agreement, an Agreement may be terminated by the Client or us upon written notice to the other, as provided in the Advisory Agreement. If Client terminates the Advisory Agreement within five business days of the effective date of the Advisory Agreement, Client shall receive a full refund of any prepaid fees. If the Advisory Agreement is terminated more than five business days after the effective date, any prepaid, but unearned Advisory Fees, if any, for the final calendar period of the Agreement shall be prorated based on the number of days the Advisory Agreement was in effect during such calendar period, and the unearned portion shall be refunded to Client within 30 days; and any earned but unpaid Advisory Fees owed to AFP will become immediately due and payable upon termination of the Advisory Agreement.

The termination provisions of Advisory Agreements vary, and not all Advisory Agreements provide for a five-day full-refund period; no refund is owed where Advisory Fees are paid in arrears. Clients should review the terms of their Advisory Agreement to verify the termination provisions of their Advisory Agreement. Termination provisions for Third Party Sponsored Program Accounts are governed by the terms of the Sponsor Program Agreement.

After an Advisory Agreement has been terminated, Client will be charged commissions, sales charges, and transaction, clearance, settlement, and custodial charges, at prevailing rates, by us (in our capacity as introducing broker-dealer) and any executing or carrying broker-dealer. Client will be responsible for monitoring all transactions and assets; and AFP shall not have any obligation to monitor or make recommendations with respect to any account or assets.

Deduction and Direct Billing of Fees

Fees Directly Debited from Client

Subject to Client's consent, fees are directly debited from a Client's account(s), and each Client is required to provide the qualified Custodian of the Client's account(s) written authorization to deduct the fee described. The Custodian sends the Client a statement, at least quarterly, indicating all amounts disbursed from the account. The Client is responsible for verifying the accuracy of the fee calculation, as the Custodian will not verify the calculation.

Fees Billed Direct to Client

In AMP accounts, there are cases where Clients can have the fees billed to them directly, in lieu of deduction from the account; however, the Client must agree that any fees not paid within 60 days will be deducted automatically.

Changes in Fee Calculation and Billing Procedures

AFP will, at its sole discretion, engage various third parties including Sponsors of Third Party Programs (TAMPs and TPMMs) and technology service providers to facilitate the billing and collection of Advisory Fees. Depending on the program and provider, different partners may handle billing processes.

To enhance efficiency, AFP may choose to work with different technology service providers to improve billing processes or utilize Third Party Sponsors' existing systems for their programs. As a result, we may make changes in the billing methodology (i.e., valuation, calculations, frequency) used for calculating Advisory Fees from those described in the Client's Advisory Agreement. These changes will be made at our discretion to ensure alignment with each Sponsor's procedures. However, any such changes will not affect the total advisory or program fee agreed to in your Advisory Agreement unless we provide you with at least 30 days' prior notice.

AFP does not charge performance-based fees. Advisory Fees and Advisor Platform Fees are charged as a fixed percentage of assets under management (AUM), a flat fee, or a tiered fee structure, regardless of whether the investments generate gains or losses.

Brokerage and Investment Expenses

Client accounts will generally invest in mutual funds, ETFs, money market funds, and closed end funds but may also hold stocks, bonds, and other types of securities. While many investment company holdings are "load-waived" investments, Clients should expect that their account will incur some or all of the Brokerage and Investment Expenses described below.

Client accounts will be subject to transaction-related brokerage fees for each transaction. These fees will be directly debited by the custodian (Pershing, Axos, Schwab, and other custodians), on behalf of AFP. These transaction-related brokerage fees are AFP fees, separate from and in addition to any fees charged by the Custodian for executing transactions. These fees include a reasonable markup to account for administrative and operational expenses. AFP believes that these charges are consistent with industry standards. In some cases, clients will also incur other costs that could significantly increase their overall expenses and reduce their investment returns. These fees are automatically deducted from the account at the time of the trade(s).

Examples of Brokerage and Investment Expenses

The following are examples of various fees and expenses that are often included in the Brokerage and Investment Expenses:

- Per-trade principal trade mark-up/mark-downs, and other transaction-related costs paid to introducing and executing brokers (including AFP, its clearing firm, the Custodian and its affiliates), stock exchanges, electronic communications networks, and other trading intermediaries involved in executing securities transactions.
- Odd lot charges, transfer and other taxes, floor brokerage fees, service fees, handling fees, delivery and mailing fees, electronic wire transfer fees, currency exchange fees and other costs associated with account transactions.
- Dealer spread (mark-up/mark-down) costs incurred when securities are purchased on a principal basis rather than an agency basis (where a commission would be charged). Fixed income securities are more frequently bought and sold on a principal basis, meaning accounts that invest heavily in fixed income securities may incur additional costs due to dealer mark-up/down on each purchase and sale.
- Margin interest charged by the custodian's broker-dealer affiliate.
- Service, handling, delivery, and mailing fees, electronic wire transfer fees, and other miscellaneous expenses related to the Client's account.

Investment Company Expenses

Mutual funds, money market funds, exchange-traded funds (ETFs), closed-end funds, and variable products (collectively referred to as "funds") deduct internal management fees, operating costs, and investment expenses from their assets to support the fund's operations. In addition to these expenses, variable products also deduct mortality expenses. These internal costs typically include recordkeeping fees, transfer and sub-transfer agent fees, and other administrative expenses, all of which represent indirect costs that are passed on to the fund's shareholders.

Clients should carefully review these expenses, particularly when evaluating different share classes of the same mutual fund within the same fund family, as costs can vary from one share class to another. When selecting a specific share class, clients should consider these expenses alongside other fees to fully assess the investment's total cost. While AFP Advisors take these expenses into account when recommending a share class, other factors may influence the selection of one share class over another. Clients are encouraged to consult with their AFP advisor to gain a comprehensive understanding of the overall costs associated with their investments.

These internal expenses frequently include "Distribution Fees," which are deducted from the fund's assets to compensate brokers who sell fund shares, as well as to cover advertising costs, printing and mailing of prospectuses to new investors, and the distribution of sales literature. Mutual fund internal expenses may also include "Shareholder Service Fees," which fund companies use to cover the costs of responding to investor inquiries and providing account-related information.

Distribution Fees and Shareholder Service Fees are collectively referred to as "12b-1 Fees," named after the SEC rule that authorizes them. These fees are calculated as a percentage of the total assets attributed to a particular share class, and they vary between different funds and share classes of the same fund. In addition to 12b-1 Fees, a fund's investment management fees and other ongoing expenses are disclosed in the fund's prospectus Fee Table. Clients can use these tables to compare the annual expenses of different funds and make informed decisions.

Some mutual funds may also impose a short-term trading fee if shares are redeemed within a certain period, typically 30, 60, or 90 days from the purchase date. This redemption fee is usually around one percent and is paid by the client. AFP Advisors make efforts to minimize short-term redemptions whenever possible to help clients avoid unnecessary fees.

Cash Management Fees and Expenses

The Bank Deposit Sweep Program serves as a core account investment vehicle for holding cash balances awaiting reinvestment. Cash balance in a brokerage accounts held at Pershing or Schwab will be automatically deposited or "swept" into an interest-bearing Bank Deposit Sweep Program account.

For Clients utilizing Pershing as a custodian, the default sweep option is the Dreyfus Government Money Market Fund. However, clients have the option to select a different investment vehicle for their cash balances, which will be invested on an overnight basis.

In some cases, the clients' selection may result in the use of an investment vehicle where Pershing provides a "Participation Payment" to AFP for deposits exceeding a certain minimum, in addition to paying the interest rate to the clients. These Participation Payment are made solely at Pershing's discretion, without AFP's input regarding the amount or calculation method.

AFP's IARs do not typically recommend these investment vehicles and instead prioritize investment options that are in the best interest of their clients, such as those offering higher yields and/or lower costs. However, clients selecting an investment vehicle that generates a Participation Payment from Pershing should be aware of the conflict of interest. AFP can be perceived as having an incentive to recommend sweep options that generate revenue-sharing payments over those that do not. Notably, AFP IARs are not informed of which investment vehicles make a Participation Payment to AFP and which do not.

Furthermore, AFP has no control over whether Pershing will continue, modify, or discontinue sharing Participation Payments. Pershing retains the sole and absolute discretion in determining whether to share these payments with AFP.

An investment in an FDIC-Insured Deposit Program is protected by FDIC insurance and therefore not protected by Securities Investor Protection Corporation (SIPC). An investment in a money market mutual fund is not insured or guaranteed by the Federal Deposit Insured Corporation or any other government agency but is protected by Securities Investor Protection Corporation (SIPC). Although the funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

For additional information on any fund, including investment objectives, risks, charges, and expenses, please consult the fund's prospectus. Contact your financial organization for the fund prospectus and read it carefully before investing. AFP does receive compensation based on assets in the Pershing Cash Management Sweep Program. AFP receives no compensation from assets in the Schwab cash management program.

Cash balances in the Advisory Program are also included in the value of account assets used to calculate the Advisory Fees and other asset-based fees we charge to your AFP advisory accounts.

Please refer to Item 14 for additional disclosures about the conflicts of interest this program entails.

Evaluating All Costs in our Advisory Programs

When evaluating the overall costs and benefits of our investment programs, Clients should consider not just the Investment Advisor Representative Fee and Platform Fees but also the potential Brokerage and Investment Expenses, Custodial Expenses, the Mutual Fund and ETF Expenses, and the Cash Management Fees and Expenses associated with each of our different programs.

Clients should consider carefully all the direct and indirect fees and expenses of our services for each of our programs and the investment products we recommend to fully understand the total costs and assess the value of our services and the selection of the program that is in the best interest of the clients.

Clients should be aware that the use of some programs are more costly than the use of others, in light of overall expenses, fees and charges associated with one program versus the other (including wrap fee programs versus non-wrap fee programs).

Clients are encouraged to consult their Advisor to review the various programs and their associated fees and expenses. It is important to consider these costs, as they directly impact investment returns.

Purchases of Similar Products and Services from Other Firms

Clients generally have the option to purchase similar investment products or services through other firms that are not affiliated with us. Our fees and program costs are higher or lower than those charged by other Advisors or financial services firms for similar services, some of which may offer better performance or lower risk.

Additionally, clients may purchase mutual funds or other investment products directly from mutual fund companies, where certain products may be available on a low-cost or "no-load" basis. While we recommend "load-waived" mutual fund share classes, these funds may carry 12b-1 fees that are higher than those available through direct purchases from a fund company.

Clients who choose to purchase investments directly or through another intermediary will not receive the benefit of our services in assessing which investment products or services align with their financial situation, investment objectives, risk tolerance, and liquidity needs. For further details on brokerage, transaction, and other fees and expenses, please refer to Item 12.

Compensation from the Sale of Securities and Other Products

AFP is dually-registered as a broker-dealer and investment advisor. Each of our officers and most of our Advisors are registered as broker-dealer registered representatives. Many are also appointed as agents for life insurance companies. In AFP's capacity as an investment advisor, it receives Advisory Fees (and in some programs, Advisor Platform Fees) from advisory clients. Additionally, in some programs, AFP receives a share of Sponsor Program Fees. AFP shares these forms of advisory compensation with the Advisors. Additional information can be found under Item 10.

As registered representatives of AFP and insurance agents, Representatives and Agents may recommend that a Client purchase or sell investments or insurance products, reallocate existing investments, or take steps to implement a financial plan outside of a Managed Account. If the Client elects to implement the recommendations regarding any investment or insurance products outside of a Managed Account the Representative or Agent will receive reasonable and customary compensation (including without limitation, commissions, asset-based sales charges or service fees, such as 12b-1 Fees from the sale of mutual funds, 529 Plans, or variable products, or commissions from long-term care or other insurance products). Such compensation will be separate from and in addition to the Advisory Fees, or share of Sponsor Program Fees. The possibility of receiving such additional compensation creates a conflict of interest because it provides an incentive for the Representative or Agent to recommend such investment or insurance products based on the compensation ("commissions") the Representative or Agent would receive rather than based solely on the Client's investment or insurance needs. Generally initial commissions received are higher than advisory fees.

Annuities can have high fees, including commissions, distribution or administrative fees, surrender charges, mortality expenses, rider fees, expense ratios, redemption fees and contingent deferred sales charges. In general, fees will depend on the annuity type and will be higher the more complex the annuity and the longer the contract. Fees charged by the insurance company are detailed in the annuity contract and/or risk disclosure documents and we encourage clients to read these documents before investing. For more information on insurance product sales, refer to Item 10 of this brochure.

Additionally, AFP and the Representatives can select or recommend, and in many instances, will select or recommend to Clients, investments in mutual fund (or variable annuity separate account) share classes that pay sales charges and 12b-1 Fees when clients are eligible to purchase share classes of the same funds (or separate accounts) without sales charges or 12b-1 Fees, and are less expensive. The ability to earn the higher amount of compensation creates a conflict of interest by providing the incentive to recommend such share classes based on the benefit to the Representative rather than the Client's interest in the most economical investment.

Clients are under no obligation, contractually or otherwise, to purchase investment or insurance products through AFP, or a Representative or Agent, or otherwise to implement or act upon AFP's or a Representative's or Agent's recommendations. Clients can generally purchase similar investment or insurance products or services through other brokers, dealers, insurance agencies, or other financial intermediaries that are not affiliated with AFP. Refer to Mutual Fund Share Classes under Item 10 for further information regarding the conflicts of interest which exist.

Mutual Fund Share Classes

The mutual fund share class selected by AFP or its Advisors determines whether 12b-1 Fees are paid by the mutual fund sponsor. If an Advisor is also registered as a Representative with AFP, they may receive a portion of these 12b-1 Fees, creating a potential conflict of interest. These fees increase the overall cost to Clients and reduce investment returns. AFP IA Reps generally recommend mutual fund share classes that do not pay 12b-1 Fees unless, based on their best business judgment, they determine that a share class with a 12b-1 Fee is in the Client's best interest.

Mutual funds can be purchased directly from the fund company or through a brokerage account. They may be classified as no-load funds (with no sales charges) or load funds (which have sales charges). Different mutual fund companies pay AFP varying sales charges and 12b-1 Fees depending on share class and fund selection. These fees can vary significantly within the same fund family and across different mutual fund companies. While all share classes represent ownership in the same fund and are managed by the same investment Advisor, each class has a different cost structure, which can impact both Client returns and Advisor compensation. This structure creates a conflict of interest, as an Advisor may have a financial incentive to recommend share classes that provide them with higher compensation, potentially at the Client's expense.

Some fund issuers offer advisory share classes ("Advisory Shares") specifically designed for fee-based investment advisory programs, while others provide institutional share classes ("Institutional Shares") intended for institutional investors. The availability of these share classes depends on the fund sponsor's policies. Institutional Shares typically have higher initial investment minimums, but some issuers may waive or reduce these minimums for advisory accounts. Institutional and Advisory Shares generally have lower ongoing expenses and eliminate or reduce 12b-1 Fees, making them a cost-effective choice for Clients.

AFP IA Reps carefully review share class options to determine which is in the Client's best interest, prioritizing the lowest-cost share class unless specific circumstances warrant a more expensive option. If AFP identifies a higher-cost share class in an advisory account, either due to a transfer from another firm or other reasons, the firm evaluates whether that class remains in the Client's best interest. If not, AFP converts the investment to a lower-cost share class, if available.

Some custodians offer no-transaction-fee mutual funds ("NTF Funds"), allowing Clients to buy and sell these funds without transaction fees in their accounts. However, NTF Funds may carry higher internal expenses.

Clients who transfer existing mutual fund holdings into AFP-managed accounts may incur contingent or deferred sales charges if they later sell or convert those funds into a lower-cost share class. Clients may choose to retain higher-cost share classes until these fees have expired before converting them within their advisory account.

No Reduction or Offset of Advisory Fees, Advisor Platform Fees, or Sponsor Program Fees

AFP does not reduce its Advisory Fees to offset the value of any brokerage commissions or principal markups, or other transaction-related compensation from the purchase or sale of securities, asset-based sales charges or service fees (such as 12b-1 Fees) from the purchase or sale of mutual funds, 529 Plans or Accounts, or variable products, including such products sold outside of a Managed Account; insurance commissions from the sale of insurance products, including fixed annuities, life insurance, and long-term care insurance; payments for marketing support, conference fees, product due diligence, and payments under the Ausdal Strategic Partners Program.

Additionally, we do not reduce or offset Advisory Fees by any of the Additional Compensation, or any other direct or indirect compensation we receive from any custodian, broker, mutual fund company, or insurance company based on or as a result of a Client's purchase or sale of securities, insurance, or other investment products, or based on the value of a Client's account, free credit balance, margin account balance, or retirement account balances. This creates a conflict of interest as it is possible to receive compensation from the commissions earned as well as advisory fees on the same investments. Refer to Item 10 and Item 14 regarding compensation from Sponsors of Third Party Programs and other third parties.

Securities Based Lending

AFP, or AFP's IARs, can recommend that certain clients with liquidity needs utilize securities-based lending as an alternative to liquidating a portion of the investment portfolio. A Securities-Backed Loan or Securities-Backed Lines of Credit ("SBL") is a loan and is generally an interest-only revolving credit line backed by nonqualified securities held in the portfolio. AFP only recommends such borrowing for non-investment needs, such as non-purpose loans and other financing needs. SBL's are available through Broadridge's Wealth Lending Network. AFP and Broadridge have a revenue sharing agreement that varies between 26 - 60 basis points (a basis point = 1/100th of 1%) based on the size of the loan and is paid out over a two-year period.

This creates a conflict of interest as there is a financial incentive for AFP, or AFP's Advisors, to recommend a SBL to you. You should carefully consider the risks associated with securities based-lending. Please refer to Item 8 for additional details and risks associated with the use of securities-backed lines of credit.

Additional Compensation

AFP also acts as a broker-dealer with respect to certain advisory accounts and advisory programs, and receives brokerage compensation with respect to the investments made and assets held in advisory accounts (collectively referred to as "Additional Compensation"). Refer to Item 14 for a complete description of Additional Compensation received by AFP from custodians and third parties.

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

Our Firm does not charge or accept performance-based fees, meaning fees calculated as a percentage of capital gains or capital appreciation of a client's assets. Additionally, the Firm does not engage in side-by-side management, where accounts subject to performance-based fees are managed alongside accounts that are not.

Item 7 Types of Clients

We provide investment advisory services to:

- Individuals and high net worth individuals;
- Trusts, estates or charitable organizations;
- Pension and profit-sharing plans;
- Corporations, limited liability companies and/or other business entities;
- Other business entities.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

The Firm does not mandate a specific investment strategy or method of analysis for its Investment IA Reps. The approach taken varies based on the Individual Advisor Representative's assessment and recommendations, allowing for personalized investment advice tailored to each client's unique needs and financial objectives.

IARs utilize a variety of tools and methods to assist in recommending or selecting investment strategies tailored to your needs. As outlined in Item 4, your IA Rep develops an investment strategy based on in-depth discussions with you, considering factors such as your investment objectives, goals, time horizon, risk tolerance, account restrictions, personal circumstances, and overall financial situation.

Under the Third Party Sponsored Advisory Services Program, each Third Party Money Manager (TPMM) employs its own methods of analysis, investment strategies, and associated risks. Clients should carefully review and consider these factors before selecting a TPMM to ensure alignment with their investment objectives and risk tolerance.

The following methods of analysis and investment strategies are utilized in formulating investment advice and managing client assets, provided they align with the client's needs, investment objectives, risk tolerance, time horizon, and other relevant considerations.

Methods of Analysis

Fundamental Analysis: Fundamental analysis involves analyzing a company's income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. The fundamental analysis school of thought maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mispriced security and then waiting for the market to recognize its "mistake" and re-price the security.

However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and company developments may result in significant price fluctuations that can lead to investor losses.

Technical Analysis: Technical analysis seeks to identify price patterns and trends in financial markets and attempt to exploit those patterns. Technical analysts follow and examine indicators such as price, volume, moving averages, and market sentiment.

Past Performance: At AFP, we recognize that technical analysis is a commonly used method for evaluating investments. This approach seeks to forecast an investment's future potential by analyzing past performance, historical pricing, trading volume, and other related data. While technical analysis can provide insights into potential market trends, it is inherently based on historical information and cannot predict future outcomes with certainty.

As with any investment strategy, technical analysis carries the risk of unforeseen market movements. Investors should understand that even the most rigorous and detailed technical analysis cannot guarantee future performance of any security, asset, or issuer.

Mutual fund and ETF Analysis: In analyzing mutual funds, we look at the experience and track record of the portfolio managers to determine if they have demonstrated the ability to invest successfully over periods of time and in different economic conditions. We also consider whether or not there is a significant overlap with the underlying investments held by other mutual funds. We monitor the mutual funds in an attempt to determine if they are continuing to follow their stated investment strategies. We also evaluate the fees of the portfolio managers and the internal expenses of the mutual funds to determine whether the Client is receiving adequate value for these fees and expenses.

A risk of our mutual fund and ETF analysis is that, as in all investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds in a Client's account may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the Client's portfolio. Moreover, we do not control the portfolio manager's daily business or compliance operations, and we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Third Party Money Manager Analysis: Our analysis of independent third party investment managers includes evaluating their experience, investment philosophies, and past performance to determine their ability to invest effectively over time and across various economic conditions. This analysis involves ongoing monitoring of the manager's underlying holdings, strategies, concentrations, and leverage as part of our periodic risk assessment.

As part of the due diligence process, we also review the manager's compliance framework and business enterprise risks. However, investing with a third party manager carries inherent risks, including the possibility that past success may not be replicated in the future. Additionally, since we do not control the underlying investments within a third party manager's portfolio, there is a risk that the manager may deviate from the stated investment mandate or strategy, potentially making the investment less suitable for clients.

Furthermore, because we do not oversee the manager's daily business and compliance operations, we may not be aware of deficiencies in internal controls that could lead to business, regulatory, or reputational risks.

Specific Investment Risks

We recommend various types of securities, and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we recommend and some of their inherent risks are provided below.

<u>Risk of Leveraged Funds and ETFs</u>

As the name implies, leveraged funds and ETFs seek to provide leveraged returns at multiples of the underlying benchmark or index they track. Leveraged funds and ETFs generally seek to provide a multiple (i.e., 200%, 300%) of the **daily return of an index or other benchmark for a single day** excluding fees and other expenses. For this reason, some regulators have determined that these investments should not be held for more than a single day. Holding these leveraged ETFs for more than a single day could result in performance well below or above what they track, and, as such, carry more risk than products without leverage. In addition to using leverage, these funds and ETFs often use derivative products such as swaps, options, and futures contracts to accomplish their objectives. **The use of leverage as well as derivative instruments can cause leveraged funds and ETFs to be more volatile and subject to extreme price movements.**

<u>Risk of Inverse Funds and ETFs</u>

Inverse mutual funds and ETFs, which are sometimes referred to as "short" funds and ETFs, seek to provide the opposite of the performance of the index or benchmark they track. Inverse funds and ETFs are often marketed as a way to profit from, or hedge exposure to, downward moving markets. Some inverse funds and ETFs also use leverage, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark (i.e., -200%, -300%). In addition to leverage, these funds and ETFs may also use derivative instruments to accomplish their objectives. **As such, inverse funds and ETFs are volatile and provide the potential for significant losses.**

Risk associated with holding leveraged and inverse ETF's include, but are not limited to:

- **Use of Leverage and Derivative Instruments**: Many leveraged and inverse funds and ETFs use leverage and derivative instruments to achieve their stated investment objectives. As such, these funds and ETFs can be extremely volatile and carry a risk of substantial losses.
- **Most Leveraged and Inverse Funds and ETFs Seek Daily Target Returns**: Most leveraged and inverse funds and ETFs "reset" daily, meaning that they **are designed to achieve their stated objectives on a daily basis**. Due to the effect of compounding, the return for investors

who invest for a period different than one trading day may vary significantly from the fund's stated goal as well as the target benchmark's performance. Thus, holding these investments longer than a single day may result in performance well below or above what they track, and, as such, carry more risk than products without leverage. This is especially true in very volatile markets or if a leveraged fund is tracking a very volatile underlying index.

- **Higher Operating Expenses and Fees:** Investors should be aware that leveraged funds and ETFs typically rebalance their portfolios on a daily basis in order to compensate for anticipated changes in overall market conditions. This rebalancing can result in frequent trading and increased portfolio turnover. Leveraged and inverse funds will therefore generally have higher operating expenses and investment management fees than other funds and ETFs.
- **Tax Treatment Can Vary:** In some cases, leveraged and inverse funds and ETFs generate their returns through the use of derivative instruments. Because derivatives are taxed differently from equity or fixed-income securities, investors should be aware that these funds may not have the same tax efficiencies as other funds.

Real Estate Investment Trusts (REITs)

A Real Estate Investment Trust (REIT) is a tax designation for a corporate entity which pools capital of many investors to purchase and manage real estate. Many REITs invest in income-producing properties in the office, industrial, retail, and residential real estate sectors. REITs are granted special tax considerations which can significantly reduce or eliminate corporate income taxes. In order to qualify as a REIT and for these special tax considerations, REITs are required by law to distribute 90% of their taxable income to investors. REITs can be traded on a public exchange like a stock, offered as a non-traded, public company or offered as a private placement. A Non-traded public company electing REIT tax status is registered with the Securities and Exchange Commission (SEC), but is not listed on an exchange. On the other hand a private company that elects REIT status is exempt from registration. As such, less information may be readily available to investors as with any private offering.

Business Development Companies (BDCs)

A BDC is a form of publicly registered company in the United States that provides financing to small and mid-sized businesses. This form of company was created by Congress in 1980 as an amendment to the Investment Company Act of 1940. As a result, Congress created a new category of closed-end funds known as a business development company.

BDCs are closed-end funds that make investments in private, or in some cases public companies, typically with lower trading volumes, with investment objectives of providing for the possibility of capital appreciation and current income. BDCs are investment companies and answer to an independent board of directors. A BDC can trade on the market but can also be a public, non-traded company, just like a public, non-traded REIT. However, one difference is that unlike a REIT, a BDC cannot be a private offering. BDCs, which essentially can be viewed as a hybrid between a traditional investment company and an operating company, represent a transparent portfolio of loans, similar in some sense to private equity or venture capital.

Publicly filing firms may elect to be regulated as a BDC if they meet certain requirements of the Investment Company Act. One such requirement is that a BDC must maintain at least 70% of its investments in eligible assets before investing in non-eligible assets. Eligible assets can include a domestic issuer that either does not have any class of securities listed on a national securities exchange, or has a class of equity securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million and, in each case, is not, with limited exceptions, a registered or unregistered investment company; or either:

- Does not have a class of securities that are "margin securities"
- Is controlled by a BDC and has an affiliated person of the BDC as a director
- Has total assets of not more than $4 million and capital and surplus (shareholders' equity less retained earnings) of not less than $2 million.

The majority of BDCs elect to be treated as a regulated investment company (RIC) for tax purposes. As a result, they must distribute at least 90% of their investment company taxable income, as defined by the Internal Revenue Code, to shareholders every year. A BDC can also receive tax exempt status on the 4% nondeductible federal excise tax if they:

- Distribute 98% of their ordinary income for each calendar year to their shareholders;
- Distribute 98% of their capital gain net income in a calendar year to their shareholders; and
- Distribute any income not distributed in prior years.

To continue to be treated as a RIC for tax purposes, BDCs must also:

- Continue to qualify as a BDC in accordance with the Investment Company Act of 1940;
- Derive at least 90% of their gross income from dividends, interest, payments on securities loans, gains from the sale of stock or other securities, or other income derived from their business of investing in these stocks or securities; and
- Satisfy quarterly RIC diversification requirements by not investing more than 5% of their assets in any single security and no more than 10% of a given security's total voting assets. Following these same requirements, they also may not invest more than 25% into businesses they control or businesses within the same industry.

Non-Traded Closed-End Funds

Like a public, non-traded REIT, a public non-traded closed-end fund is not traded on the exchange. A closed-end fund cannot elect REIT status and cannot be a private company. Like a BDC, a closed-end fund is regulated under the investment act of 1940, but is unlike a BDC in terms of the type of investments it can hold. Basically, a closed-end fund is a fund with a fixed number of shares, as opposed to an open-end fund that creates and redeems shares on a daily basis.

Non-Traded Public Companies

Other companies that are not organized as a REIT, BDC, or closed-end fund may be organized as a non-traded company, similar to a public company like Apple, except that the company does not trade on an exchange. This structure is sometimes used for offerings that are not real estate, such as specific sector offerings like clean energy.

Risks Associated with Non-Traded Company Investments

The risks of non-traded REITs, BDCs, non-traded closed-end funds and non-traded public companies are varied and significant. Because they are not exchange-traded investments, they often lack a developed secondary market, making them illiquid investments. This could limit or restrict a Client's ability to dispose of such investments in a timely manner and/or at an advantageous price. Consequently, a Client should exercise caution to avoid over- concentration of their assets in these types of illiquid investments.

Valuation and Advisory Fees Associated with Non-Traded Company Investments

AFP advises certain qualified Clients to invest in non-traded REITs, BDCs, non-traded closed end funds or non- traded public companies. In order for these offerings to be purchased in an AFP advisory account, the distributor must provide advisory-class pricing for their products through a custodian. Generally, this means that the distributor allows purchases at a price that "waives" the sales charge, or "load" therefore allowing AFP to include the product in the quarterly or monthly asset management fee billing established for the Client's account.

The price of a non-listed security on your account statement provided by a custodian could potentially reflect the original purchase price and not any price or value from a secondary market, a repurchase offered by the sponsor, or the book value. The actual value of the investment on a secondary market or through a repurchase by a sponsor could potentially be significantly higher or lower than the original purchase price contained on the account statement provided by the custodian. The asset management fee for non-traded investments included in your program is based upon the current valuation set by the product sponsor as reflected on the custodian's account statement. Due to the fact that non-traded investments are illiquid, the value is not easily or readily ascertainable or reported. As a result, the value shown on the account statement provided by the custodian is the most reliable method for determining the present value of the investment.

Variable Annuities Risk

A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Fee Based Annuities Risk

Fee based annuities are products meant for registered investment advisors, who are paid a flat, annual advisory fee, often based on assets under management, rather than a commission for each product sale. Fee based annuities do not come with a sales load to compensate the Advisor. Fee based annuities include an annual advisory fee in the sub-accounts in addition to the annuity's fees. If the advisory fee if paid out of certain annuity products, specifically, nonqualified annuities, the fee payment may be considered a taxable event. Additionally, pulling an advisory fee from the annuity could have other adverse effects, if the product has any type of insurance rider, causing a dilution or nullifying those benefits. Factors such as the advisory fee, expected life of the annuity and if the annuity is actively or passively managed should be considered when selecting a fee-based annuity. Other benefits, such as upfront bonuses, generally only come with commissioned annuities. To get a full understanding of the costs, features and benefits of an annuity, you should closely read your annuity contract. The insurance features of annuity contracts are backed by the full faith and credit of the underlying insurance company.

General Investment Risks

Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear. Securities are not guaranteed and Clients may lose money on their investments. 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 will be met. Past performance is in no way an indication of future performance. We ask that Clients work with us to be sure we understand their willingness and financial ability to bear the risks of their current investments and the investments we recommend for their account.

Risks of Market, Economic, Political, or Regulatory Events

As a general matter, the values of account assets may fall due to changes in general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, inflation, changes in interest or currency rates or adverse investor sentiment. Adverse market conditions may be prolonged and may not have the same impact on all types of securities. The values of securities may fall due to factors affecting a particular issuer or the securities market as a whole. The risk to a portfolios in the programs will depend on the specific portfolio allocation.

Insolvency of Brokers and Others

Clients will be subject to the risk of failure of the brokerage firms that execute their trades, the clearing firms that such brokers use, and the clearinghouses of which such clearing firms are members. Although we believe the institutions we recommend have sufficient capital, there is no assurance this will continue to be the case.

Interest Rate Risk

Interest rates may go up, causing the value of debt securities held by an account (or by any mutual fund, money market fund, or other fixed income security owned by the account) to decline. This is known as interest rate risk, which may be greater for securities with longer maturities. Again, this is a known risk factor for the Programs, depending on specific allocations.

Credit Risk

The issuer (or other obligor) of a security owned by the account (or by any mutual fund, money market fund, or variable product owned by the account) may fail to pay principal or interest, or otherwise defaults, or may be perceived to be less credit worthy, or the security's credit rating may be downgraded, or the credit quality or value of any underlying asset may decline. This is known as credit risk. This risk is greater for high yield securities than for securities of higher credit quality. Accounts participating in the Programs may invest in high yield securities.

Prepayment Risk

During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the account (or any mutual fund, money market fund, or variable product owned by the account) to reinvest in lower yielding securities. This is known as call or prepayment risk.

Extension Risk

During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration (a calculation of a security's future payments designed to measure sensitivity to interest rate changes), increase the security's sensitivity to interest rate changes and reduce the value of the security. This is known as extension risk.

Liquidity Risk

From time to time, as a result of economic, market, or issuer-specific reasons, one or more investments held by the account may become difficult to sell at a favorable price, and in certain adverse markets or economic conditions, may become difficult to sell at any price. The causes of a loss of liquidity may not be related to any specific adverse changes in the business of a particular issuer.

Risk of Holding Cash Balances for Extended Periods of Time

Some strategies may seek to improve long-term risk-adjusted performance by holding substantial cash balances for extended periods of time. Although cash balances are important to ensure adequate liquidity to pay fees and expenses, and to meet unexpected personal expenses; however, beyond these amounts, in the current low yield environment any earnings would be substantially depleted by the Advisory Fees that will be charged against these assets. AFP would be reluctant to recommend such a strategy for the cash balances, except during relatively short periods of time to address temporary situations.

Risk of Delays In Accounts

For a variety of reasons, there may be periods of time when we will not be able to trade an account. For example, accounts may require several weeks after the Advisory Agreement is signed by all parties before we will be able to enter trades with the Custodian (and such period may be lengthened as a result of delays by Client or third parties in transferring assets to the Custodian). Similarly, accounts that are transferred between Custodians, or whose registrations are changed, or that change Portfolios may experience periods during which we will not be able to trade the account. Further, there will likely be periods when we are not able to trade an account as a result of AFP's administration, review, portfolio management, trade execution, or other handling of that account or the account for other Clients.

Following such periods, we will endeavor to trade the account and effect transactions so that the account reflects the Portfolio designated for the account, but such transactions may result in immediate losses for the account. We assume no responsibility for losses or missed profits or opportunities resulting from: the account not being traded during any such period; engaging in transactions so that an account reflects the Portfolio; or from implementing any instruction from the Client.

Pledging Assets

Margin Transactions

Although not expected to be used frequently, there may be occasions when the Client's account will use a margin account offered by the Custodian to borrow sufficient funds to purchase a security for an account. This typically happens if sufficient cash is not available in the account to purchase the security and it is not advantageous to sell other investments. The use of margin carries risks that Clients should understand. We do not expect to use significant amounts of margin or other leverage in our strategies; however, certain types of transactions may or must be executed through a "margin account."

In volatile markets, security prices can fall very quickly. If the net value of a Client's account (less the amount the Client owes to the broker) falls below a certain level, the broker will issue a "margin call" and the Client will be required to sell the security (and other positions) or add more cash to the account. You could lose more money than you originally invested. Additionally, the Client must pay interest on the margin balance owed to the broker until it is repaid in full. The amount of margin interest will diminish the Client's profits and in some cases could cause net losses in the Client's account.

Securities-Based Loans or Lines of Credit ("SBLs")

A SBL is a loan that allows investors to borrow money using securities held in their investment accounts as collateral. A SBL requires investors to make monthly interest-only payments, and the loan remains outstanding until it is repaid.

If the value of the securities declines to an amount where it is no longer sufficient to support the line of credit, investors will receive a "maintenance call", which is a notification that the investor must post additional collateral or repay the loan within a specified period (typically two or three days). If the investor is unable to add additional collateral to the account or repay the loan with readily available cash, the firm can liquidate the securities satisfy the maintenance call, which may have potential unintended tax consequences and could have a significant impact on an investors long-term investment goals.

Item 9 Disciplinary Information

AFP does not have any information to be disclosed in this section as any prior disclosures are no longer material to a client's or prospective client's evaluation of the firm. We regularly review our disclosures to ensure transparency and compliance with regulatory requirements, and we will update this section if any material disciplinary events arise in the future.

Item 10 Other Financial Industry Activities and Affiliations

Registration as a Broker-Dealer

Our firm is also registered as a broker-dealer and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. The principal business of AFP is that of a securities broker-dealer. AFP's management employees (who are also registered as Advisors) and virtually all Advisors are registered as broker-dealer registered representatives of AFP ("Representatives"), and are authorized to sell securities. Many Representatives are also licensed to sell life, health, and annuity products and are appointed as agents ("Agents") by various life insurance companies; AFP is a party to standard agency contracts with life insurance companies which govern compensation from insurance products and renewals. Please see below for additional information related to these conflicts of interest.

Registered Representatives and Insurance Agents

Clients are under no obligation, contractual or otherwise, to purchase investment or insurance products through AFP, or a Representative or Agent, or otherwise to implement or act upon AFP's or a Representative's or Agent's recommendations. Clients can generally purchase similar investment or insurance products or services through other brokers, dealers, insurance agencies, or other financial intermediaries that are not affiliated with AFP. Clients may purchase mutual funds directly from mutual fund companies. The products may be available on a low or "no-load" basis.

AFP has adopted the following to address the conflicts of interest with respect to selection or recommendation of investment or insurance products outside of Managed Account(s):

- we disclose the existence of the conflict of interest that arises from the incentive AFP and a Representative (or Agent) have to earn additional compensation from recommending the purchase of securities or insurance products in addition to the Advisory Fees, Advisor Platform Fees, and share of Sponsor Program Fees AFP receives;
- we disclose to Clients they have the right to decide whether or not to act on such recommendations, and if they choose to act on such recommendations, they have the right to purchase such products through AFP and Representative (or Agent), or through another broker-dealer, insurance agency, financial institution, or professional of their choosing, which may charge less (or more) for such products;
- we request Clients provide and update material information regarding their personal and financial situation, and the investment objective, tolerance for risk, liquidity needs, and investment time horizon for the Managed Account(s), and where possible, overall household financial situation, and
- we conduct regular reviews of account investments;
- we require that our Advisors and Representatives seek prior approval of outside employment activity so that we may detect conflicts of interests and ensure such conflicts are properly addressed;
- we periodically ask Advisors and Representatives to certify information regarding their outside employment activities; and
- we educate our Advisors and Representatives regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.

Insurance Product Sales

As mentioned above, many of our IA Reps are also licensed insurance agents. It is common for our financial professionals to recommend clients utilize insurance products (for example, a fixed index annuity) as part of the client's overall asset allocation in lieu of separately managed accounts or assets classes (such as cash or fixed income). You should be aware that there are a number of conflicts of interest that are present when associates of our advisory firm recommend you utilize insurance products in this nature.

You will generally work with your financial professionals in both their capacity as an investment advisor representative (IA Rep) of the Company, as well as in their capacity as an insurance agent. As such, your financial professional, in their dual capacity as an IAR and insurance agent, generally will advise you to purchase insurance products (fixed and/or indexed life insurance and annuity products), and then assist you in implementing the recommendations by selling you those same products. When acting as an insurance agent, in exchange for selling you those products, the financial professional will typically be paid a commission. This recommendation that a client purchase an insurance product through them as an insurance agent presents a conflict of interest, as the receipt of commissions is an incentive to recommend products that could potentially be based on commissions rather than your personal needs and objectives. Furthermore, commissions vary by product, and each individual product often has different commission rates, encouraging the financial professional to recommend products that pay higher commissions over the products that make the most sense for you.

In addition, insurance products also have different payment schedules depending on the nature of the product, and the timing of the payments likely differ from that of the advisory options offered by the Company. This timing difference has the potential to create a conflict of interest since some financial professionals have the incentive to recommend a product that pays commissions now, over an advisory product that pays fees over a relatively longer period. There could be other conflicts present as well. We utilize the services of various insurance marketing organizations ("IMOs") who provide education on the different products that are available. The purpose of the IMO is to assist us in finding the insurance product that best fits the client's situation.

In addition, each of the individual insurance carriers that our financial professionals work with also separately provide incentive-based bonuses or awards in exchange for sales-related production over specific periods of time, which is a conflict of interest. They also provide indirect compensation by providing marketing assistance, business development tools, technology, back office/operations support, business succession planning, business conferences, and incentive trips. These incentive programs do not directly affect fees paid by the client. Although some of these services can benefit a client, other services obtained by our IARs such as marketing assistance, business development, and incentive trips, will not benefit an existing client and is a conflict of interest. At times, our financial professionals receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing, such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of clients.

We have taken a number of steps to manage these types of conflict of interests. We attempt to mitigate these sales-related conflicts by always basing investment decisions on the individual needs of clients. As a fiduciary, we expect and require that each investment advisor representative only recommend insurance and annuities when in the best interest of the client. Finally, you should be aware that there are other insurance products that are offered by other insurance agents other than those recommended by our financial professionals.

You are under no obligation, contractually or otherwise, to purchase insurance products or other services through any financial professional affiliated with our firm or implement any insurance or annuity transactions through our firm.

Registrations with Registered Investment Advisors

Certain IARs providing investment advice on behalf of our firm are dually registered as investment advisor representatives with our firm and an unaffiliated registered investment advisor. In their separate investment advisor representative capacities, they are providing sub-advisory services to AFP through model portfolio management. Advisory clients maintain accounts through AFP and not directly with the third party registered investment advisor. Dually registered investment advisor representatives will not earn fee-based compensation from both firms with respect to the same account. New clients will be asked to sign an addendum to the advisory contract when AFP engages a third party registered investment advisor as a sub-advisor for your account. You are under no obligation to utilize the services of the third party registered investment advisor through our firm.

Tax Preparation and Accounting Services

Certain associated persons and/or executive officers of our firm are certified public accountants ("CPAs") or provide accounting or tax preparation services in their individual capacities. These services may be offered through a related entity, however, these entities are not under common control or ownership with our firm. If you require accounting or tax preparation services, our associated persons will, when appropriate, recommend that you utilize their services. Our advisory services are separate and distinct from the compensation paid to our associated persons for their services. These individuals and/or related entities are otherwise regulated by the professional organizations to which they belong and must comply with the rules of those organizations. This activity presents a conflict of interest because our associated persons have a financial incentive to recommend the tax preparation and/or accounting services they provide. While we believe that compensation charged by our associated persons or their related entities is competitive, such compensation may be higher than fees charged by other firms or individuals providing the same or similar services. You are under no obligation to use the services of any associated person or related entity and may obtain comparable services and/or lower fees from another service provider.

Recommendations or Selections of Other Investment Advisors

We are required to disclose if we recommend or select other investment Advisors for our Clients and if so, whether we receive any compensation that creates a material conflict of interest. We must also disclose if we have other business relationships with Advisors we recommend that create material conflicts of interest, and describe how we address the conflicts.

Other Financial Related Business Activities - Private Placements

Mint Hill Capital 1, L.L.C.

Certain persons providing investment advice on behalf of our firm, including Tim Beldner1, are principals of Mint Hill Capital Holding Company, L.L.C., a limited liability company organized under the laws of North Carolina. Mint Hill Capital Holding Company, L.L.C. serves as the Manager to Mint Hill Capital 1, L.L.C. ("the Fund"), a pooled investment vehicle offered only by private placement memorandum and other offering documents to certain sophisticated investors meeting certain minimum financial requirements as summarized in the offering documents. AFP serves as the placement agent for the Fund. Clients and employees of AFP will be solicited to invest in the Fund. This activity presents a conflict of interest because our firm has a financial incentive to recommend the Fund to qualified investors. Our associated persons, in their separate capacities as principals of Mint Hill Capital Holding Company, L.L.C., have a financial incentive, including but not limited to, management fees, developer fees, and carried interest, to recommend the Fund to you. Additionally, please refer to the conflicts of interest referenced above in this section and below (Item 11), when AFP acts as a placement agent and AFP Representatives solicit investments in the Fund.

---

[1]*Tim Beldner is a principal of Mint Hill Capital Holding Company, L.L.C. Mr. Beldner and Mint Hill are shareholders and minority owners of AFP. In addition, Mr. Beldner is also a, registered as an investment adviser representative and registered representative of AFP, in addition to several other outside business activities as disclosed in Mr. Beldner's ADV 2B Brochure. Mr. Beldner and advisers at Mint Hill have an additional financial incentive to recommend products and services provided by or through AFP and/or other businesses where they have an ownership interest, therefore, presenting a conflict of interest to clients. Mr. Beldner and Mint Hill have a fiduciary duty to act in Clients best interest and are subject to the oversight and supervision of AFP's compliance program. Please refer to Mr. Beldner's ADV Part 2B Brochure for additional information.*

Bolder Eagle Fund, LP
We are affiliated with Bolder Advisors, LLC, an exempt reporting advisor, through Matt Wilson, a shareholder and minority owner of AFP. Bolder Advisors, LLC serves as the general partner to Bolder Eagle Fund, LP, ("the Bolder Fund"), a pooled investment vehicle offered only by private placement memorandum and other offering documents to certain sophisticated investors meeting certain minimum financial requirements as summarized in the offering documents. Mr. Wilson has a financial incentive, including but not limited to, management fees and performance-based fees, to recommend the Bolder Fund to you.

Investments in the Fund and the Bolder Fund, herein referred to as "Funds", will be held in a brokerage account and are not permitted in advisory accounts. The fees charged by the Funds are separate and apart from our advisory fees. Persons affiliated with our firm have made an investment in the Funds and have an incentive to recommend the Funds over other investments. In an effort to mitigate the conflicts of interest related to investing in the Funds, we are disclosing the material conflicts to you. You are under no obligation to invest in the Funds or any other securities recommended by AFP, AFP Representatives or any person affiliated with our firm.

Third Party Sponsored Programs

As disclosed in Item 5, certain Sponsors share a portion of their Program Fee with AFP (typically, not more than 15 basis points based on the Client's account value). The payment provides an incentive to recommend the Sponsor, and its Third Party Program based on the share of Program Fees received rather than based solely on the Client's investment needs or interest in advisory services at reasonable cost.

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

Code of Ethics

We have adopted a Code of Ethics expressing our commitment to ethical conduct. Our Code of Ethics describes our fiduciary responsibilities to our Clients, and our procedures in supervising the personal securities transactions of our supervised persons who have access to information regarding Client recommendations or transactions ("access persons"). We owe a duty of loyalty, fairness, and good faith towards our Clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

A copy of our Code of Ethics is available to our Clients and prospective Clients. You may request our Code of Ethics by email at ausdal@ausdal.com or by calling us at (800) 722-8732.

Our Code of Ethics includes policies and procedures for the review of our access persons' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by AFP's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement, and recordkeeping provisions.

Our Chief Compliance Officer may grant exceptions to certain provisions contained in the Code where we reasonably believe the interests of our Clients will not be materially adversely affected or compromised. Doubts arising in connection with personal securities trading should be resolved in favor of the Client even at the personal expense of our employees.

Our Code of Ethics prohibits the misuse of material non-public information. While we do not believe that we have any particular access to material non-public information regarding publicly traded companies that would be subject to misuse, all employees are reminded that any such information may not be used in a personal or professional capacity.

AFP and its principals, officers, affiliates, employees and Advisors may act as investment Advisor for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships or other businesses, subject to compliance with AFP's Code of Ethics. In doing so, AFP or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular Client.

Neither AFP nor any Advisor has any obligation to purchase or sell, or to recommend for purchase or sale, any security which AFP or any principal, officer, employee or Advisor purchases or sells for his own account or for the accounts of other Clients, unless such conduct is a fiduciary obligation.

Participation or Interest in Client Transactions - Principal Transactions

We direct trades to one or more broker dealers that acts as principal, buys securities from (or sells securities to) our clients in regard to certain transactions. These transactions present a conflict of interest as both our employees as well as the broker dealer's earn transactional fees (mark-ups or mark-downs) from such transactions and has an incentive to execute client orders in this manner. We address this conflict in the following manner:

1. We will only trade as principal when we believe the transaction is in the best interest of our clients;
2. We believe the transaction fulfills our duty of best execution with respect to the particular transaction; and
3. Prior to the completion of such a trade we will make disclosures to our effected clients regarding:
    - the price of the security;
    - other best quoted prices;
    - any commission, mark-up, or mark-down; and
    - obtain our client's consent.

Recommendations Involving Our Financial Interests

<u>Mint Hill Capital 1, L.L.C.</u>

AFP has signed a best efforts selling agreement to participate in the private placement offering to accredited investors of membership interests (referred to as "Units") in Mint Hill Capital 1, LLC ("the Fund"). As described above, certain associated persons serve as the manager to the Fund through an outside business activity, and therefore, have additional financial incentives to recommend Units of the Fund. Please refer to Item 10 for additional information related to conflicts of interest related to the Manager of the Fund.

It is expected AFP Representatives will continue to solicit AFP advisory Clients to purchase the Fund's Units. Any such purchases will be made through such Clients' brokerage or other accounts which AFP is not managing as advisory accounts. The Units will not be held as assets in any advisory account and AFP will not purchase the Units in any advisory account through the exercise of discretion. AFP will earn selling compensation as a broker-dealer from the sale of the Units, and the selling Representative will share in such compensation for selling Units, even if the investment is not successful for investors.

In addition, Representatives of AFP will be authorized to sell to their advisory Clients Units of the Fund, which will result in financial benefit to principals and Representatives of AFP in cases where the principals and/or Representative personally have acquired Units in the Fund. Consequently, even though we have adopted procedures to ensure that no Client invests advisory assets, and that all investments are suitable for the investor, it is possible that our judgment could be materially affected by the prospective of the financial gain, such that AFP and the Representative will recommend Clients purchase the Fund based on the economic benefits to be received rather than based solely on the Client's investment needs.

Investments in Securities We Recommend to Clients

Individuals associated with AFP buy or sell securities for their personal accounts identical to or different from those recommended to Clients. It is the policy of AFP that no person employed by AFP shall prefer his or her own interest to that of an advisory Client or make personal investment decisions based on the investment decisions of Clients. Subject to the Code of Ethics, AFP and its employees are permitted to trade for their own accounts side-by-side and in block transactions with AFP's Clients in the same securities, and at the same time. We have adopted the procedures described below to address the actual and potential conflicts of interest raised by our policies.

Investments Around Time of Client Transactions

Subject to the procedures in this section, AFP and its employees are permitted to trade for their own accounts side-by-side with Clients in the same securities at or around the same time as Clients on the same trading day, and are permitted to aggregate trades for their proprietary accounts with trades for Client accounts. AFP, its employees, and its affiliates may buy or sell securities for their personal accounts identical to the securities recommended to Clients.

In addition to the procedures described above, we have adopted the procedures described below to address these conflicts of interest or our policies described above:

- AFP prohibits employees from knowingly purchasing or selling securities (other than mutual funds or other securities that are not treated as "reportable securities") immediately prior to Client transactions, in order to prevent employees from benefiting from transactions placed on behalf of advisory accounts;
- no director, officer, or employee of AFP shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry;
- no director, officer, or employee of AFP shall knowingly prefer his or her own interest to that of an advisory Client;
- AFP maintains records of securities held by AFP and its access persons. These holdings are reviewed on a regular basis by the Investment Committee;
- AFP emphasizes the unrestricted right of the Client to decline to implement any advice it has rendered (except where AFP has entered an order pursuant to its exercise of discretionary authority);
- AFP requires all employees to act in accordance with all applicable Federal and State laws and regulations governing registered investment advisory practices; and
- any individual not in observance of the above may be subject to discipline.

Item 12 Brokerage Practices

Factors in Recommending Custodians and Brokers

AFP recommends custodians that are broker-dealers or are affiliated with broker-dealers taking into their consideration the nature of the services and reporting required, the technology integration capabilities, cost, and quality of services, reputation, integrity and financial condition. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Our selection of custodians is based on many factors, including the level of services provided, the custodian's financial stability, and the cost of services provided by the custodian to our clients, which includes the yield on cash sweep choices, commissions, custody fees and other fees or expenses.

Our recommendations are directly affected by the fact that AFP is a dually-registered broker-dealer and investment advisor. Our investment advisor representatives are registered representatives of our broker-dealer. We recommend Pershing as custodian and broker because we are intimately familiar with its operations and are able to place orders, assist Clients, resolve questions, and administer accounts very efficiently.

Clients should be aware, however, that even though this arrangement is very efficient for us, we have an obligation to evaluate the custodians and brokers we recommend on a continuing basis to determine they are appropriate for our Clients and consistent with our fiduciary responsibilities. An arrangement that is best for our firm is not necessarily best for you.

Brokers for Managed Accounts and Non-Program Brokers

AFP will act as introducing broker for Advisory Accounts custodied at Pershing. For Managed Accounts held at Axos, Schwab, or another qualified custodian acceptable to AFP and Third Party Sponsors (the "Custodian") the Custodian will serve as custodian and broker-dealer, except in the limited circumstances of a trade placed with a non-program broker (explained below).

In a Third-Party Program, the designated broker-dealer executes and clears purchase and sale orders placed by the Managed Account's portfolio manager, provides transaction confirmations, account statements, annual reports, prospectuses, and tax information, and maintains custody of Client cash and securities. However, in the event that a portfolio manager reasonably believes in good faith that another broker or dealer will provide better trade execution considering all factors, including the net price, then it may execute the transaction through another broker (a "non-program broker"). In these circumstances, the account will be charged the separate brokerage commissions and other transaction costs of the non-program broker.

Brokerage arrangements for certain Third-Party Programs will be handled on the basis of "directed brokerage subject to most favorable execution." This means that the Client will direct all the portfolio manager of the account's assets to place purchase and sale orders through a specific broker-dealer. Please review the below disclosures for additional information on directed brokerage and aggregated orders.

Notwithstanding a directed brokerage provision, these programs often authorize the portfolio manager to effect transactions with a non-program broker, if the portfolio manager believes that "best execution" may be obtained through such non-program broker.

In placing orders with a non-program broker, the portfolio manager's primary objective will be to obtain prompt execution of orders at the most favorable prices reasonably obtainable. In doing so, the portfolio manager may consider a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the non-program broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other matters involved in the receipt of brokerage services. In these circumstances, however, the Client's account will be charged the separate brokerage commissions and other transaction costs of the non-program broker.

Accounts Established through Institutional RIA Account Platforms

AFP has established arrangements with various broker-dealers that offer institutional RIA platforms. These platforms allow clients to grant their Financial Professional limited power of attorney for trading authority over their accounts held with the broker-dealer. AFP works with several approved custodians, with the most commonly used being Schwab, Axos, and Goldman Sachs. AFP is independently owned and operated and is not affiliated with any of these companies.

Each Financial Professional typically selects a primary custodian for executing transactions and maintaining custody of client assets. While AFP maintains a list of approved custodians, IARs are not required to use one over another.

AFP approves institutional RIA platforms for its IARs based on multiple factors. Institutional trading and custody services are typically not available to retail investors and are generally offered to investment advisers at no direct charge. These services include brokerage, custody, research, and access to institutional-class mutual funds and other investments that might otherwise require significantly higher minimum investments.

When evaluating RIA platforms, AFP also considers additional products and services that help manage and administer client accounts. While these services benefit AFP and its IARs, they do not necessarily benefit every AFP client. These services include technology and software providing access to client account data, trade execution tools, research, pricing information, compliance assistance, and client reporting. Many of these services are used broadly across AFP accounts, including those not held on the institutional RIA platform providing the service.

Additionally, AFP considers services designed to support IARs in managing and growing their businesses, such as consulting, practice management resources, regulatory compliance tools, and marketing support. Institutional RIA platforms may also arrange and/or subsidize these services from third-party providers.

While AFP and its IARs strive to act in clients' best interests, the recommendation or requirement to use a particular institutional RIA platform may be influenced, in part, by the availability of these additional benefits. This creates a conflict of interest, as the decision may not be based solely on the cost, quality, or nature of the brokerage and custody services provided.

The services and costs available to you through our approved custodians are different and you should discuss these with your Advisor so that you can determine the best custodian for your Advisory Account(s).

Lower Costs Available for Similar Services

We offer no assurance that the advisory fees, transaction costs, or investment expenses our Clients will incur by using AFP as their investment advisor or introducing broker-dealer, or using our clearing firm as broker for their accounts will be as low as the fees or investment expenses charged by other firms for similar services. It is likely that lower costs are available for similar services from other Advisors, brokers or custodians, and by paying lower costs, Clients could significantly improve their long-term performance.

Brokerage Services Do Not Benefit Specific Accounts

We do not attempt to put a dollar value on the useful benefits and services each account receives from our approved custodians, nor do we attempt to allocate or use the economic benefits and services received for the benefit of specific accounts, or attempt to use any particular item to service all accounts. We will use the economic benefits and services we receive to assist in managing accounts not maintained with the custodian whose commissions were used to pay for such services. The useful benefits and services we receive from custodians and broker-dealers are used to help AFP to fulfill its overall Client obligations. Clients will likely pay commissions or other transaction costs that will be used to pay for services that are not used to benefit their account.

Brokerage for Client Referrals

Neither our clearing firm, Pershing, Axos Clearing, nor other brokers for Client accounts, or Schwab (or their affiliates) refer Clients to us.

Directed Brokerage

We do not require, but will accept "directed brokerage" instructions from our Clients. This means the Client may require us to use a particular broker to execute all of their brokerage orders, even if we could obtain more favorable execution elsewhere.

When a Client directs the use of a particular broker-dealer, we will not aggregate the Client's orders with the orders of Clients at other brokers. Orders for these accounts will not be placed until after orders are placed for accounts that have not directed the use of a particular broker. As a result, the Client will not receive the benefit of reduced transaction costs or better prices that may result from aggregation of Client orders, as discussed below. Further, when we are directed to use a particular broker-dealer, we will not have the authority to negotiate commissions, obtain volume discounts, or seek price improvement from other broker-dealers.

Consequently, Clients should understand that the direction to place orders with a broker-dealer may result in the broker not achieving most favorable execution of the Client's transactions. This practice may cost the Client more than if we had discretion to select another broker-dealer. A disparity may arise such that Clients who direct brokerage may pay higher overall transaction costs and receive less favorable prices than Clients who do not direct brokerage.

Aggregation and Allocation of Transactions

For the Advisor Managed Account Program, the Advisory Agreement authorizes, but does not require, AFP to aggregate orders of more than one discretionary client for the same security into "block trades." Proprietary accounts of our firm or its supervised persons (employees) may participate in block orders on the same basis as clients.

For certain types of investors and accounts, the ability to have their orders aggregated into a "block order" with other Clients can offer economic benefits, including the potential for volume discounts on their orders, potentially timelier execution, a potential reduction of adverse market effects that can occur from separate, competing orders, and mutual sharing of transaction costs. For accounts that purchase individual securities, such as stocks or bonds, the broker may be able to negotiate price improvements for block orders.

Block orders are typically placed through an "average price account" or similar account such that transactions for accounts participating in the order are averaged as to price (which will be NAV for all mutual fund securities), and the securities purchased or net proceeds received are allocated pro rata among the accounts in proportion to their respective orders placed that trading day.

Typically, partial fills will be allocated among accounts in proportion to the total orders participating in the block, unless we determine that another method of allocation is equitable (such as an alphabetical rotation, rotation based on the Clients of a particular Advisor, or other method). Exceptions may be granted or allowed due to varying cash availability, divergent investment objectives, existing concentrations, tax considerations, investment restrictions, or a desire to avoid "odd lots" (an amount of a security that is less than the normal unit of trading for that security).

Because AFP manages more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by AFP. AFP may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances.

It is AFP's policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients.

<u>Allocation of Limited Investment Opportunities</u>

At times, there will be limited supply of an investment and we will be required to decide which accounts will be able to purchase the investment. Although we do not receive allocations of initial public offerings of stock (IPOs), this would be an example of a situation where demand for an investment opportunity could far outweigh supply. When supply is not sufficient to meet demand, we will be required to decide how which account will participate, and to what extent, in the allocation of the amount of the security we are able to acquire.

In determining which portfolios or accounts will participate or receive an allocation of a limited investment opportunity, we may consider and give greater weight to, among other factors, any one or more of the following factors: asset class or type of security; identity and industry sector of the issuer; market and economic conditions; quantity of the security available to us; available cash, liquidity needs, size, and investment objective of the eligible accounts; effective, current, or target yields, returns, spreads, coupon, duration, or credit quality; volatility (as measured by standard deviation, by comparison against a benchmark or index, or by other measures selected by us); actual, estimated, or target rates of return targets; liquidity, tax position, and investment restrictions. Such factors may be calculated, derived, or estimated by us or any third party or data source we believe is reasonably reliable.

It may not be possible to allocate a limited investment opportunity to accounts held in directed brokerage arrangements.

Item 13 Review of Accounts

Each purchase or sale of a security executed by our IARs in your account is reviewed for suitability by a designated supervisor. Additionally, our IARs conduct periodic account reviews as needed, but no less than annually for advisory accounts. These reviews assess whether client accounts align with their investment objectives, are appropriately positioned based on market conditions, and comply with any applicable investment policies.

Our firm does not provide written reports to clients unless specifically requested. When necessary, we rebalance accounts, considering client investment goals, risk tolerance, and any changes in asset allocations. Accounts are reviewed periodically, with adjustments made as deemed appropriate.

More frequent reviews may be triggered by significant market or economic events, client notifications of changes in financial circumstances, large withdrawals or deposits, or modifications to investment objectives, liquidity needs, or risk tolerance.

Client Reports

You will receive monthly and/or quarterly account statements directly from the custodian. Your IA Rep may also provide you with a Quarterly Performance Report ("QPR") for informational purposes. QPRs are based on information believed to be accurate but have not been independently verified. For the most accurate and official account information, please refer to the statements issued by your account custodian.

Item 14 Client Referrals and Other Compensation

Client Referrals & Compensation

The Firm has arrangements with individuals who act as Promoters, including solicitors, who provide testimonials or endorsements. These arrangements comply with the SEC's "Marketing Rule" (Rule 206(4)-1), which governs both cash and non-cash compensation paid to Promoters. Compensation can include advisory fees based on a percentage of assets under management or amounts invested, flat fees, hourly fees, reduced advisory fees, fee waivers, or other forms of cash compensation.

If you are introduced to us through a Promoter, you will receive a separate disclosure statement outlining the compensation arrangement with the Promoter, including any compensation paid to individuals unaffiliated with the Firm.

Recruiting and Transition Assistance

To assist with the costs associated with transitioning from another broker-dealer or registered investment advisor, we offer various benefits and/or payments to certain IARs who are newly associated with the Firm. These transition assistance payments are intended to help cover expenses such as working capital to support the IA Rep's business, repayment of outstanding debt to their previous firm, technology setup fees, marketing and mailing costs, stationery and licensure transfer fees, moving expenses, office space costs, and staffing support.

The amount of transition assistance provided is generally based on the IAR's gross dealer concessions (GDC) and is typically structured as a combination of an upfront payment (50%) and a subsequent payment after one year or provided in the form of a forgivable loan. The receipt of this assistance creates a conflict of interest, as it provides a financial incentive for the IA Rep to recommend that clients open and maintain accounts with the Firm.

Forgivable Loans

Forgivable loans are intended to assist the investment advisor representatives with start-up costs for affiliated entities, transition expenses and/or marketing efforts. Under the terms of the forgivable loan, the principal amount plus accrued interest is forgiven over a specified period, typically five years, so long as the investment advisor representative fulfills the criteria outlined in the loan agreement during the duration of the loan.

Forgivable loans create a conflict of interest because investment advisor representatives have a financial incentive to recommend AFP's advisory and brokerage services as a result of the forgivable loan which could result in the Client paying higher advisory fees and/or commissions than might be available at another financial institution. However, as a fiduciary, we believe that our costs are reasonable when considered against the costs of other financial institutions. Clients do not pay more for investment transactions effected and/or assets maintained at AFP as result of these arrangements. There is no corresponding commitment made by the investment advisor representatives to AFP to invest any specific amount or percentage of Client assets in any specific securities or other investment products as a result of the forgivable loan.

Compensation from Custodians

Brokerage-Related Fees: For Client accounts maintained at Pershing, AFP has established and will charge its advisory clients AFP brokerage-related fees, which include, but is not limited to, the following items:

- **Trade Handling Charges** - currently, clients are charged up to $6 per transactions;
- **Ticket Charges** - currently, clients are charged up to $30 per transaction, plus a per share charge for stocks/ETFs (typically, few cents per share, with minimum of $0.50);
- **Annual IRA Fees** - currently, clients are charged up to $35 per year for standard IRAs (more for Simple, 401k, etc.); and
- **Transfer Fees** - currently, clients are charged $100 for transfers of IRAs and non-IRA accounts.

AFP's broker-dealer has established the above as "Brokerage-Related Fees". Operationally, Pershing will collect these fees on behalf of AFP, deduct AFP's cost to Pershing for such services and pay the remainder of these AFP fees to AFP. As such, these brokerage-related fees are NOT a pass-through of what Pershing charges AFP for these services. Rather, *these are AFP fees* for brokerage-related services, which AFP has established after taking into consideration certain administrative, operational and mailing costs associated with accounts held at Pershing. The AFP Brokerage-Related fees are AFP fees, charged by AFP's broker-dealer to the advisory clients for brokerage services in connection with their advisory accounts. These Brokerage-Related Fees includes a reasonable profit (sometimes referred to as a "mark-up") for AFP. AFP believes these charges are in-line with what other firms in the industry charge for such brokerage-related services. As set forth in AFP's advisory agreements with its clients, and as disclosed in this Brochure, these brokerage fees are in addition to what the clients pay for advisory services. The amount AFP receives and the basis for such calculation varies by fee, and is subject to change without notice. AFP's share can vary widely, depending on the amount of the client transaction, and factors such as whether the fees are for retirement, IRA or individual accounts. These Brokerage-Related Fees are just one of many costs associated with the work done by AFP's broker-dealer to service the advisory account.

FundVest Account Compensation: AFP has entered into an arrangement with Pershing whereby Pershing pays AFP a monthly fee (up to 10 basis points annually, or $0.10 per every $100.00 annually) based on the value of Client assets invested in the Pershing FundVest funds, which includes approximately 3000 funds from approximately 200 fund families. Investments can be made in the FundVest funds without paying a load or a trading commission. These funds are called "No Transaction Fee" ("NTF") funds. Funds participating in FundVest pay Pershing fees to be on the FundVest list, and Pershing shares this compensation with AFP. Consequently, AFP has an incentive to recommend Client assets invest in the FundVest Funds based on increasing the compensation Pershing shares with AFP, rather than based on the Clients' investment needs or interests in purchasing mutual funds at the lowest costs. Clients should be aware that AFP does not share the FundVest Account Compensation with the Advisors, and thus this compensation does not influence the Advisors' decision to select the FundVest funds. Additionally, AFP's selection of the FundVest funds continues to be subject to the obligation to seek best execution in the purchase of securities for the Client's account.

Cash Management Fees and Expenses: The Bank Deposit Sweep Program is a core account investment vehicle used to hold cash balances awaiting reinvestment. The cash balance in a brokerage account at Pershing or Schwab will be automatically deposited or "swept" into an interest-bearing Bank Deposit Sweep Program account.

An investment in an FDIC-Insured Deposit Program is protected by FDIC insurance and therefore not protected by Securities Investor Protection Corporation (SIPC). An investment in a money market mutual fund is not insured or guaranteed by the Federal Deposit Insured Corporation or any other government agency but is protected by Securities Investor Protection Corporation (SIPC). Although the funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investment in the money market fund.

Cash in a Client's account that is awaiting investment or reinvestment may be invested in cash balance, money market fund, or deposit account at the Custodian (or their affiliate), pursuant to an automatic cash "sweep" program. AFP receives compensation in connection with the Pershing Cash Management Sweep Program, which pays AFP a "distribution" fee based on the average money market fund balance, which can range from 10 to 50 basis points with respect to assets vested in money market funds (or from $0.10 to $0.50 for every $100 annually), depending on the total amount of eligible assets in the Pershing Cash Management Sweep fund.

Clients should refer to the Prospectus and Statements of Additional Information of the money market funds in which they invest for further information regarding such payments. Refer also to Item 5 of this Brochure. The possibility of compensation provides an incentive for us to invest Client accounts in Pershing custodial accounts to increase the compensation we receive as Clients use the cash management features Pershing offers. This also provides an incentive for us to invest the account so as to increase our compensation, which may not necessarily represent the optimal investment of the Client's assets. Our recommendation of these investment products is based on the compensation we will receive rather than the Client's interest in the lowest cost, or better performing cash management products and services.

AFP does not receive distribution fees from the Schwab Cash Sweep Program.

The interest you earn through the Bank Sweep Program may be less that you could earn through other core account investment vehicles at other brokerage firms. If you are going to maintain cash in the Bank Sweep Program, you should evaluate whether you can earn a greater amount of interest by maintaining your cash in a different type of account outside of the Bank Sweep Program. Clients pay Advisory Fees on cash in the Cash Sweep Program, in addition to receiving a lower than market interest rate.

Share of Margin Interest & Interest on Short Sale Transactions: AFP receives a payment from Pershing of a portion of the margin interest charged on a Client's margin debit balance, and a share of the interest on short sale transactions. These forms of compensation create a conflict of interest to recommend or encourage Client accounts at Pershing, and further, to encourage recommendations to use margin and engage in short sale transactions, based on the compensation AFP will receive, rather than the suitability of the use of margin and short sale transactions for the Client.

Transition Assistance Provided by Custodians: Pershing, Axos, Schwab, and other custodians provide financial assistance to the firm and Investment Advisor Representatives (IARs) through reimbursements for client account transfer fees and other practice management-related costs incurred by IARs. The level of assistance varies based on the assets an IAR brings to the custodian's platform, creating a conflict of interest. This financial incentive can influence an IAR's decision to recommend one custodian over another, regardless of whether it is in the best interest of the client. The firm and its IARs seek to mitigate this conflict by disclosing these arrangements and ensuring that custodian recommendations are based on the client's needs and best interests.

Payments from Non-Traded Securities - Sponsorship & Marketing Fees

With respect to Client investments in non-traded REITs, non-traded BDCs, non-traded closed end funds, and non-traded public companies, AFP receives non-advisory compensation from the sponsors of such securities, typically ranging from .08% to 1.00% of the Client's investment. Additionally, the sponsors pay or reimburse the costs of AFP's quarterly and annual meetings.

Strategic Alliance Program Sponsorship Fees

The Strategic Alliance Program is an educational and marketing initiative that includes various financial service providers, such as investment advisors, investment companies, insurance companies, and other financial firms. Through this program, participating firms gain exposure to AFP Advisors and Representatives via educational sessions and other meetings. Partner firms fund sponsorship expenses through a fixed fee, which typically ranges from $10,000 to $40,000 per firm. Each year, the program includes between 10 and 15 Strategic Alliance partners.

Strategic Alliance Partners receive the following benefits:

- Access to business contact information for all AFP Advisors and Representatives
- Speaking opportunities at one AFP Quarterly Educational Meeting
- Participation in AFP's National Sales Conference, including exhibition space and speaking time
- Booth space at select AFP events

Partners are generally selected based on the demand for their products and services among AFP Advisors and Representatives. In some cases, new partners are included based on AFP's assessment of their potential value to AFP, its Advisors and Representatives, and its Clients. While Strategic Alliance Partners receive these benefits, AFP meetings and events also include other product and service providers that do not participate in the sponsorship program.

Due to the financial benefits AFP receives from the sponsorship fees, a conflict of interest exists. AFP has an incentive to prioritize access for Strategic Alliance Partners based on economic benefits rather than solely on the investment needs of Clients.

To mitigate this conflict, AFP has implemented the following safeguards:

- Disclosure: This conflict of interest is disclosed in this Brochure.
- Due Diligence: AFP conducts ongoing reviews to ensure it has a reasonable basis for recommending Strategic Partners, both generally and for individual Clients.
- Client Choice: Clients are informed that they are not obligated to engage with any Strategic Partner. They may choose to purchase investment, insurance, or other products and services through AFP and its Advisors or opt for another provider, which may offer different pricing.
- Suitability Reviews: AFP gathers and maintains sufficient information about Clients' financial circumstances, investment objectives, and risk tolerance. Regular account reviews are conducted to ensure investment recommendations remain suitable.
- Monitoring: AFP periodically reviews overall Client holdings to identify any inconsistencies or potential biases in recommendations.
- Fiduciary Education: AFP educates its Advisors and employees on fiduciary responsibilities, ensuring investment recommendations are made with a reasonable and independent basis.

Participation in the Strategic Alliance Program does not guarantee that a firm's product or service will be suitable for any specific Client and primarily benefits AFP and its Advisors in certain instances. Clients should evaluate recommendations independently to determine if they align with their financial needs and objectives.

Benefits of Institutional RIA Account Platforms

As disclosed in Item 12: Brokerage Practices, AFP has established relationships with various broker-dealers and custodians that offer institutional RIA platforms, allowing clients to grant their Financial Professional limited power of attorney for trading authority over their accounts.

Institutional RIA platforms provide trading and custody services that are generally not available to retail investors. These services, often offered at no direct charge to investment advisers, include brokerage, custody, research, and access to institutional-class mutual funds and other investments that might otherwise require higher minimum investments. These custodians are usually compensated through commissions or other transaction-related fees.

Although these services enhance operational efficiency, they primarily benefit AFP and its Financial Professionals rather than every individual client. Institutional RIA platforms also arrange or subsidize third-party services to support Financial Professionals in areas like practice management, regulatory compliance, and marketing. As a result, the recommendation or requirement to use a specific institutional platform can be influenced by these benefits, creating a conflict of interest.

<u>Brokerage Commissions, Asset-Based Sales Charges and Service Fees, Insurance Commissions</u>: As registered representatives of AFP and insurance agents, AFP's Representatives and Agents recommend that Clients purchase or sell investments or insurance products, reallocate existing investments, and take steps to implement a financial plan outside of their Managed Account(s). Please refer to the disclosures under Item 5 and Item 10 for additional information.

Other Forms of Compensation

Although not necessarily related to the services provided by AFP, certain vendors, product providers, distributors and others provide non-monetary compensation to AFP by providing training, education and publications that are designed to further AFP's employees' skills and knowledge. Some vendors occasionally provide AFP with gifts, meals and entertainment of reasonable value, consistent with industry rules and regulations. AFP will, in accordance with its compliance policies, accept lodging or travel expenses from third parties or third-party payment of its conference fee costs or fees to attain professional designations. Certain companies also pay AFP compensation for marketing, access to AFP Representatives, and for other purposes separate from and in addition to commission paid for the sale of their products as disclosed in the prospectus and/or disclosures of each company.

Pontera Platform: AFP receives compensation from unaffiliated registered investment advisors for administrative services and access to the Pontera trading platform. The Pontera platform allows trading and management of held away accounts. The unaffiliated registered investment advisors have an incentive to utilize AFP's platform for access to Pontera. AFP is disclosing this additional revenue stream in an effort to meet our fiduciary obligations of full and fair disclosure.

Orion's Elite Advisor Network Program: AFP's qualifying investment advisor representatives ("Qualifying IARs") receive from Orion certain additional economic benefits ("Additional Benefits") that may or may not be offered to other investment advisors or investment advisor representatives participating in the Program. In order to qualify, investment advisor representatives must manage a minimum of $10M in total AUM on the Orion Platform and must engage in three to five qualifying activities throughout the calendar year. In addition to gaining access to technology tools, Qualifying IARs will receive economic benefits in the following categories; exclusive/VIP access to events, service and support, complimentary access to Orion technology, technology consulting, early and exclusive access to data, insights and technology/product roadmaps and training. The scope of the benefits in each category increases the more AUM the Qualifying IAR manages on the Orion Platform. Orion provides the Additional Benefits to Qualifying IARs in its sole discretion and at its own expense, and AFP and Qualifying IARs do not pay any fees to Orion for the Additional Benefits. AFP and Orion have entered into a separate agreement ("Elite Advisor Network Program") to govern the terms of the provision of the Additional Benefits. AFP Qualifying IAR's receipt of Additional Benefits raises conflicts of interest. In providing Additional Benefits to us, Orion most likely considers the amount and profitability to Orion of the assets in, and trades placed for, our Client accounts maintained with Orion. Orion has the right to terminate the Elite Advisor Network Program agreement with us or any of our Qualifying IARs, in its sole discretion, at any time upon written notice. Consequently, in order to continue to obtain the Additional Benefits from Orion, Qualifying IARs have an incentive to recommend to you that the assets under management by AFP be managed through the Orion Platform and to place transactions for your accounts with Orion. Qualifying IAR's receipt of Additional Benefits does not diminish AFP or Qualifying IAR's duty to act in your best interests, including to seek best execution of trades for your accounts.

Item 15 Custody

The Client's independent Custodian will directly debit account(s) for the payment of advisory fees. This ability to deduct Client's advisory fees from Client accounts causes AFP to exercise limited custody over Client funds or securities. AFP does not have physical custody of any of Client funds and/or securities. Client funds and securities will be held with a bank, broker-dealer, or other qualified Custodian. Clients will receive account statements directly from their Custodian on at least a quarterly basis showing all transactions in their account during the reporting period. The account statements from the Client's custodian(s) will indicate the amount of our advisory fees deducted from Client account(s) each billing period. Clients should review the Custodian's statements carefully.

AFP typically does not provide reports regarding a Client's account as part of our advisory services. Some representatives may provide reports to Clients. AFP never provides account statements detailing account debits, credits, receipts, deliveries, and positions. Clients will receive account statements directly from their Custodian. If a Client receives any report from AFP or a representative of

AFP which refers to the value of an asset also shown on a Custodian's statement, we urge the Client to compare the information with the statement they receive from the Custodian and contact us immediately if any discrepancies are found.

Third-Party Authorizations

Clients may provide the qualified custodian of their account a written instruction authorizing AFP to direct transfers to a specified third party, either on a set schedule or from time to time, subject to certain regulatory requirements pursuant to the SEC's Custody Rule. As a result of this limited authority, AFP will be deemed to have custody of the Client's accounts, but is not required to engage an independent CPA to conduct a surprise verification of the Client's account assets as long as AFP meets the following criteria:

1. Clients provide a written, signed instruction to the qualified Custodian that includes the third party's name and address or account number at a custodian;
2. Clients authorize AFP in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Clients qualified custodian verifies the Client's authorization (e.g., signature review) and provides a transfer of funds notice to Clients promptly after each transfer;
4. Clients can terminate or change the instruction;
5. AFP has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. AFP maintains records showing that the third party is not a related party to AFP nor located at the same address as AFP; and
7. Clients qualified Custodian sends Clients, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

AFP hereby confirm that we meet the above criteria.

Private Investment Companies

Certain associated persons of AFP are principals of Mint Hill Capital Holding Company, L.L.C., which serves as the Manager to Mint Hill Capital 1, L.L.C. ("the Fund"), a private pooled investment vehicle in which our clients are solicited to invest. In their capacities as Manager to the Fund, certain associated persons will have access to the Fund's funds and securities, and therefore this causes AFP to have custody over such funds and securities due to their affiliation with our firm. The Fund is subject to a surprise audit by an independent public accounting firm to comply with rule 206(4)-2 "the custody rule" under the Investment Advisers Act of 1940.

AFP is affiliated with Bolder Advisors, LLC through a shareholder and minority owner of AFP. Bolder Advisors, LLC serves as the general partner to Bolder Eagle Fund, LP, ("the Bolder Fund"), a private pooled investment vehicle in which our clients are solicited to invest. Due to our affiliation with Bolder Advisors, LLC, we have access to the Bolder Fund's funds and securities, and therefore, have custody over such funds and securities. The Bolder Fund is subject to annual audit by a PCAOB accounting firm. Investors are provided with audited annual financial statements. If you are an investor in the Bolder Fund, and you did not receive a copy of the financial statements, contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Advisor Managed Accounts can be managed on either a discretionary or non-discretionary basis. Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

Clients interested in a non-discretionary account should understand that because we must obtain Client consent prior to placing trades for the non-discretionary account, orders for the account will not be placed until after orders for discretionary trades have been placed. As a result, the accounts will typically not be included in block orders with discretionary accounts, and will miss the opportunity to share transaction charges, and receive an average price with the other accounts in the block. This will cause orders for the non-discretionary account to be filled later (and potentially, at less advantageous prices), or not to be filled on the same day as orders for discretionary accounts. Consequently, the transaction costs, the quality of execution, and overall performance of non-discretionary accounts may be less favorable, as compared to discretionary accounts.

Third Party Managed Accounts

As disclosed in Item 4 of this brochure, third party managed programs, are managed on a discretionary basis, meaning the third party manager has the authority to make investment decisions on behalf of the Client without requiring prior approval for each transaction. This includes selecting securities, rebalancing portfolios, and executing trades in alignment with the Client's investment objectives, risk tolerance, and overall financial strategy.

Item 17 Voting Client Securities

The Client retains responsibility for voting proxies on all securities owned in their Advisory Account(s). We will not vote proxies, exercise rights, make elections, or take other such actions with respect to securities held for accounts we manage. When completing the account application to open the Advisory Account(s), the Client will select whether to receive proxy materials directly or if they should be forwarded to AFP. AFP will discard proxy materials received for Clients' accounts and will not provide votes. In the absence of a written request, we will discard proxy and related materials.

Clients may obtain proxy materials by written request to the account's Custodian. For information about how to obtain proxy materials from a Custodian, Clients may contact us by email to ausdal@ausdal.com, or by mail to the address on the front of this Brochure. However, we do not provide advice about the issues raised by proxy solicitations or other requests for corporate actions.

Class Action Lawsuits

Similarly, we do not advise or exercise rights, make elections, or take other actions with respect to legal proceedings involving companies whose securities are or were held for a Client's account, such as asserting claims or voting in bankruptcy or reorganization proceedings, or filing "proofs of claim" in class action litigation.

If desired, a Client may instruct us in writing to forward to the Client or a third party any materials we receive pertaining to such matters. Upon our receipt of such written instructions, we will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, we will discard such materials. Written instructions should be sent by email to ausdal@ausdal.com, or by mail to the address shown on the cover page of this Brochure.

The Sponsors or Managers of Third Party Programs may have different policies with respect to the voting of proxies. These policies will be stated in the Wrap Fee Brochure of the Sponsor or Manager delivered to the Client.

Item 18 Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than $1,200 in fees and six or more months in advance.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisors

We are a federally registered investment advisor; therefore, we are not required to respond to this item.

Item 20 Additional Information

Electronic Delivery

Upon written Client authorization, AFP will deliver any required regulatory notices and disclosures or correspondence via electronic mail or via AFP's Internet website. AFP shall have completed all delivery requirements upon the forwarding of such document, disclosure, notice or correspondence to the Client's last provided email address (or upon advising the Client via email that such document is available on AFP's website). Client may, at any time, notify AFP in writing that it does not wish to receive electronic communications and instead wishes to receive paper communications.

Confidentiality of Client Information

Protecting the confidentiality of our Clients' nonpublic information is top priority for AFP. We have implemented policies and procedures designed to safeguard this information and ensure it remains confidential. AFP does not disclose nonpublic personal information about current or former Clients to non-affiliated third parties, except as outlined in our privacy policies or as permitted or required by law.

In the course of servicing a Client's account, AFP shares Client information with service providers such as Sponsors, Managers, Custodians, transfer agents, accountants, and attorneys. This information includes details about the Client, their account, and account activity, as necessary for the efficient and effective management of their financial affairs. These disclosures are made solely to facilitate the administration and servicing of Client accounts in the ordinary course of business.

Trade Error Policies

When effecting trades to implement the investment decisions we make on your behalf, we may make an error while placing a trade. If we make an error, we will bear the costs of correcting the trade. Trade errors that result in a benefit to the client (for example, failed to sell a security in a timely manner, security price subsequently increases and then the position is sold, resulting in more gain for the client) are generally left in the client's account. For errors that cannot be moved out of a Client's account and create a loss, the Client will be credited the dollar amount needed to make the Client whole. Where multiple transactions are involved, gains and losses resulting from the trade correction process may be netted in determining the dollar amount to make the Client whole. However, AFP works with several different custodians that handle trade errors in different ways according to their own policies and procedures. Therefore, trade errors that result in a gain can be handled one or more of the following ways:

- Trade errors that result in a gain will be credited to the client's account;
- Trade errors that result in a gain are donated to charity;
- Trade errors resulting in a gains that are considered nominal (i.e. $100 or less) are written off by the custodian; and
- Trade errors that occur on the same day or during the same quarter may be netted, resulting in gains offsetting losses.

Offsetting of trade error gains presents a conflict of interest as AFP has an incentive to transact to produce trade errors that result in a gain to offset the trade errors that result in a loss. However, all net gains are ultimately donated to charity and not retained by AFP. "Soft dollars" may not be used to pay for correcting trade errors. The handling of trade errors is one of the qualitative factors that is reviewed by AFP as part of the best execution review.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.