



Apex Financial Advisors, Inc.

SEC File Number: 801 – 71884

Form ADV Part 2A Brochure

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www.apexfinancialadvisors.com

This brochure provides information about the qualifications and business practices of Apex Financial Advisors, Inc. (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (215) 493-1900 or rconnell@apexfinancialadvisors.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 Apex Financial Advisor, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Educational and Business Background

Robert A. Connell, CFP - Chief Executive Officer

Apex Financial Advisors was founded by Robert Connell in 2010. A graduate of Pennsylvania State University where he earned a Bachelor’s Degree in Aerospace Engineering and further completed advanced studies and research for a two-year period. He was one of the first to earn the CERTIFIED FINANCIAL PLANNER™ designation in the country in 1978 at the infancy of Financial Planning in the United States. Mr. Connell has over 38 years of financial planning experience. Throughout his career, Mr. Connell has implemented a Family Office approach to Wealth and Family Management by focusing on high net worth families and assisting them with their financial and personal goals. As Chief Executive Officer of Apex, Mr. Connell maintains a supervisor relationship for all employees and principals. Mr. Connell was born in 1947.

Security Examinations: Series 7 exam (1975), AMEX Put and Call exam (1977), Series 12 exam (1980), Series 24 exam (1980), Series 4 exam (1981), Series 5 exam (1981), Series 63 exam (1982), Series 53 exam (1991), Series 65 exam (1992).

Stuart Caplan, MBA – Chief Investment Officer

Stu brings 14 years of diverse experience to the team. Prior to Apex, he was with Brickell Capital Management, a multi-family investment office in Miami, where he managed and implemented several trading strategies and hedge fund-of-funds portfolios for the firm. Stu received his MBA from the Robert H. Smith School of Business at the University of Maryland in 2008 and his BSBA in marketing and entrepreneurship, cum laude, with honors from the Eller College of Management at the University of Arizona in 2002. Mr. Caplan was born in 1980.

Security Examinations: Series 3 (2012), Series 65 (2015)

Item 2 Material Changes

Apex provides investment advice regarding private funds, including funds affiliated with the Principals of the firm. In 2016, the principals of Apex formed an affiliated real estate management services firm, AFA RE Management LLC. In 2016 Apex formed two affiliated real estate partnerships: AFAKOP LLC in December 2016 and AFABJ LLC in August 2016.

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Item 4 Advisory Business

- A. The Registrant is a corporation formed on September 9, 2010 in the Commonwealth of Pennsylvania. The Registrant became registered as an Investment Adviser Company in October 2010. The Registrant is owned by Robert Connell and Mr. Connell is also the Registrant's Principal.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates, pension plans and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. The Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management. Please see Item 5 for fee structure. Prior to engaging the Registrant to provide investment advisory services, clients are required to enter into a written *Investment Advisory Agreement* with the Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided and the applicable fees. Registrant may recommend the services of other professionals for implementation purposes, such as attorneys, accountants, and including the Registrant's representatives in their individual capacities as licensed insurance agents. (*See* disclosure at Item 10 C.8). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including tax planning, investment and non-investment related matters, estate planning, insurance planning, etc.) on a stand-alone separate fee basis.

Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a written *Financial Planning, Tax Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, such as attorneys, accountants, and including the Registrant's representatives in their individual capacities as licensed insurance agents. (*See* disclosure at Item 10 C.8). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, divorce planning, asset valuation, options valuation, retirement plan valuation, qualified plan valuation, deferred compensation plan valuation, insurance, etc. Neither Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of Registrant's services should be construed as same. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including Registrant's principal in his capacity as a licensed insurance agent (see disclosure below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot affect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to affect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

AFFILIATED PRIVATE INVESTMENT FUNDS. The Registrant may provide investment advice regarding private investment funds, including those affiliated with Registrant's Principals. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the affiliated private funds. The terms and conditions for participation in the affiliated private funds, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Registrant's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

Specifically, the Registrant's Principals are affiliated with the following private investment funds and/or business ventures (collectively the "affiliated private funds"):

AFABJ LLC – a private real estate fund formed for the purpose of investing in a single commercial real estate transaction; a BJ's Wholesale Club retail location at 131 East Kings Highway in Maple Shade, NJ.

AFAKOP LLC - a private real estate fund formed for the purpose of investing in a single commercial real estate transaction; the Corsair I Corporate Office building in King of Prussia, PA

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each qualified client for review and consideration.

Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please note: Conflict of Interest. Because the Registrant's Principals and/or their affiliates can earn compensation from the affiliated private funds that may exceed the fee that the Registrant would earn under its standard "assets under management" fee schedule referenced in Item 5.A below, the recommendation that a client become an investor in the affiliated private funds could present a conflict of interest. To mitigate this conflict of interest, the Registrant carefully qualifies eligible clients, and recommends private fund allocations as a means to more broadly diversify client portfolios. No client is under any obligation to become an investor in the affiliated private funds. The Registrant's Chief Compliance Officer, Robert Connell, remains available to address any questions regarding this conflict of interest.

Please note: Valuations. In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price. Annual fund audit statements generally contain information related to valuation.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon the information provided. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning, Tax Planning and Consulting Agreement*. Any client who has not received a copy of Registrant's Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Financial Planning, Tax Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

- C. The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on the Registrant's services.
- D. Not Applicable.

- E. As of January 31, 2017, the Registrant had \$174,600,374 in assets under management on a discretionary and non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management, to be charged quarterly in advance, as follows.

Fee Schedule for All Accounts:

ACCOUNT VALUE	ANNUAL MANAGEMENT FEE
<\$1,000,000	1.50%
\$1,000,000 - \$5,000,000	1.25%
\$5,000,000 - \$10,000,000	1.00%
\$10,000,000 - \$25,000,000	0.85%
\$25,000,000 - \$50,000,000	0.65%
\$50,000,000 and over	negotiated

Registrant, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its portfolio minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

FINANCIAL PLANNING, TAX PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$5,000 and up on a fixed fee basis depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Registrant reserves the right to charge a minimum fee for financial planning services based on total assets under management.

- B. Clients will have the Registrant's advisory fees deducted from their custodial accounts as directed. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients daily, monthly or quarterly in advance, based upon the market value of the assets.
- C. Unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend Fidelity Institutional ("Fidelity"), TD Ameritrade ("TD"), or other custodians or clearing agencies as deemed appropriate to serve as the broker-dealer/custodian/clearing agency for client investment management assets. Broker-dealers such as Fidelity, TD, and other custodians/clearing agencies charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual debt and/or equity transactions may be effected through broker-dealers with whom Registrant and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through various SEC registered and FINRA member broker-dealers (in which event, the client shall incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the account custodian).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, monthly or daily in advance, based upon the market value of the assets on the last business day of the previous quarter or month or day. The Registrant does generally require an annual minimum fee for investment advisory services. However, Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Advisory fees paid during the month of any contract cancellation are not subject to reimbursement.

E. PRIVATE FUND FEES AND COMPENSATION

Fees and Compensation: As it relates to private funds, the Registrant typically charges a semi-annual advisory fee (the “management fee”) as described in relevant Governing Documents. A property management/administration fee may be assessed to certain real estate related funds, and may be payable to the Registrant or an affiliate of the Registrant. Fees and other compensation paid by a fund to the Registrant may vary from fund to fund and may be different from the fees and compensation payable in respect of any successor fund. *Investors should carefully review the Governing Documents of the relevant fund in conjunction with this brochure for complete information about fees and compensation.* Similar advisory services may be available from other investment advisers for similar or lower fees.

Performance Fees: In addition to the payment of ongoing management fees, the funds (and indirectly the limited partner investors) also may be required to pay the general partner of the fund, or an affiliate of the Adviser, performance fees based upon a percentage of a fund’s return on invested capital.

Management fees, performance-based compensation, and/or any other compensation payable to the Registrant or its affiliates by a fund are generally negotiated with the fund or its underlying investors and may depend on, among other factors, the amount of capital committed to the fund.

Other Fees and Expenses: The Registrant is liable for its normal operating overhead and administrative expenses, including salaries, bonuses and benefits, office facilities, back office support, accounting, management/finance functions, marketing, travel and other management-related costs.

Clients of the Registrant may bear certain other fees, expenses and costs (aside from the management fees and performance-based compensation discussed above) which are incidental or related to the maintenance of the fund or the buying, selling and holding of investments.

These fees and expenses may include, but not necessarily be limited to:

- The fees and expenses of professional advisers such as legal counsel, administrators, custodians, consultants, and accountants.
- Any taxes or fees assessed by government jurisdictions or their agents that are levied against the fund.
- Expenses related to the preparation, printing and distribution of reports to the limited partners of the fund.
- Any insurance, indemnity or litigation expenses relating to the fund’s activities.
- All other costs incurred related to the administration of the fund or authorized by the fund’s Governing Documents.

Deduction of Fees and Timing of Payment: The Registrant (or its affiliates) is authorized under the Governing Documents of each fund to charge and deduct advisory fees directly from the contributed capital and/or other assets of the applicable fund. Following the dissolution of a fund, the general partner of the fund will, in accordance with the partnership agreement, make a final determination of all items of income, gain, loss and expense. After payment or provision for payment of all liabilities and obligations of the fund, the remaining assets, if any, will, in accordance with the partnership agreement, be distributed to investors.

F. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

G. In certain situations, the Registrant may discount fees.

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

In addition to the compensation discussed in Item 5 – Fees and Compensation, affiliates of the Registrant, as the managing partners of affiliated or advised private funds, may be eligible to receive performance-based compensation, sometimes referred to as “carried interest.” Carried interest is equal to a percentage of the private fund’s net profits. Any performance-based compensation will be paid in accordance with Section 205(3) of the Advisers Act and the applicable rules promulgated thereunder, which specify certain qualification thresholds for clients being assessed such a fee. Any share of profits paid to the managing partners of the funds is separate and distinct from the management fees charged by the Registrant for advisory services to the funds. Performance fees are subject to individualized negotiation with the partners investing in each fund.

Carried interest in a fund may create an incentive for the Registrant and the fund's managing partner to make more speculative investments for the funds than it would otherwise make in the absence of such performance-based compensation. However, conflicts of interest associated with carried interest are mitigated by: (i) the general partner or its owners having a capital commitment to the fund; and (ii) certain other mitigating factors which are unique to each fund. Outside of the private fund structure described above, the Registrant does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 Type of Clients

The Registrant's clients shall generally include individuals, business entities, pension plans, IRA's, trusts, estates, municipal governments, pensions, charitable organizations, as well as private funds. The Registrant does generally require an annual minimum fee for investment advisory services.

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

- A. The Registrant shall utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets primarily among various individual equity and fixed income securities, mutual funds, individual bonds, futures contracts, options and/or exchange traded funds ("ETFs"), on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

Registrant provides investment advice regarding private investment funds.

Unaffiliated and Affiliated Private Investment Funds. Registrant may also provide investment advice regarding private investment funds. Registrant, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in an affiliated or unaffiliated private investment fund. Registrant's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

Item 9 Disciplinary Information

Not Applicable

Item 10 Other Financial Industry Activities and Affiliations

A. Not Applicable

B. Not Applicable.

C. **I. Affiliated Private Investment Funds.** The Registrant's Principals are affiliated with certain private investment funds. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the affiliated private funds. The terms and conditions for participation in the affiliated private funds, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Registrant's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

Specifically, the Registrant's Principals are affiliated with the following private investment funds and/or business ventures (collectively the "affiliated private funds"):

AFABJ LLC – a private real estate fund formed for the purpose of investing in a single commercial real estate transaction; a BJ's Wholesale Club retail store located at 131 East Kings Highway in Maple Shade, NJ.

AFAKOP LLC - a private real estate fund formed for the purpose of investing in a single commercial real estate transaction; the Corsair I Corporate Office building in King of Prussia, PA

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each qualified client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Note: Conflict of Interest: Because the Registrant's Principals and/or their affiliates can earn compensation from the affiliated private funds that may exceed the fee that the Registrant would earn under its standard "assets under management" fee schedule referenced in Item 5.A, the recommendation that a client become an investor in the affiliated private funds could present a conflict of interest. To mitigate this conflict of interest, the Registrant carefully qualifies eligible clients, and recommends private fund allocations as a means to more broadly diversify client portfolios. No client is under any obligation to become an investor in the affiliated private funds. The Registrant's Chief Compliance Officer, Robert A. Connell, remains available to address any questions regarding this conflict of interest.

Please Note: Valuation. In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price. Annual fund audit statements generally contain information related to valuation.

II. Apex receives no compensation from insurance-related products. Robert Connell, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4 B above, clients can engage Mr. Connell to effect insurance transactions on a commission basis.

Please Note: Conflict of Interest: The recommendation by Robert Connell that a client purchase insurance commission product presents a material conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Robert Connell. Clients are reminded that they may purchase insurance products recommended

by Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Robert Connell, is available to address any questions that a client or prospective may have regarding the above conflict of interest.**

III. Referral Program: Apex maintains a referral arrangement with a local community bank. The bank is paid fees by the Registrant for successfully referring clients to the Registrant for financial planning and asset management services. Apex receives no compensation from the bank for referrals. **See Item 14 Client Referrals and Other Compensation.**

- D. Apex has a minority ownership interest (less than 5%) in National Advisors Holdings, Inc. (NAH). NAH has formed a federally chartered trust company, National Advisors Trust Company (NATC). NAH and NATC are regulated by the Office of the Comptroller of the Currency ("OCC") and are FDIC insured. The trust company offers a lower cost alternative to traditional custodians and trust service providers. Apex referrals to NATC are based expressly upon the clients' needs and objectives. Unlike banks which generally do not allow trust accounts to retain outside investment advisors, NATC designates Apex to provide ongoing investment advisory services to accounts on which NATC is named as trustee. Both the client and Apex may benefit from this continuation of services. However, the client always maintains the right to remove Apex as the investment advisor, as well as replace NATC as trustee. Apex receives no income or compensation from NATC. Apex does not directly share in any service fees charged to client accounts by National Advisors Trust.
- E. Apex may work with other Registered Investment Advisors in joint ventures related to marketing of advisory services, which may include a fee-sharing arrangement.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant. Access to Registrant's Privacy Policy is sent to clients on an annual basis and is made publicly available on Registrant's website.

- B. As disclosed above, the Registrant's Principals and/or their affiliates have a financial interest in the affiliated private funds. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the affiliated private funds. The terms and conditions for participation in the affiliated private funds, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s). **The Registrant's Chief Compliance Officer, Robert A. Connell remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities truncation policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the *Firm* has only one Access Person, he or she shall not be required to submit any securities report described above.

Private Placements and Limited Opportunities: Access Persons may invest in private placements and limited offerings (including those sponsored by Registrant clients) as long as there are no material conflicts with client interests. The Registrant maintains policies and procedures detailed in its Code of Ethics to ensure that Access Person investment in these opportunities do not crowd out Registrant clients nor impede the Registrant's fiduciary duty. The Registrant's Chief Compliance Officer is responsible to pre-approve all Access Person investment in private or limited offerings. The Registrant has not and will not favor any client in terms of fees or allocation of investments in exchange for Access Person opportunities to invest in private or limited offerings sponsored by clients.

- D. As a fiduciary, the Registrant will always strive to place client interests first and foremost. The Registrant's compliance policies and procedures are designed to ensure that the fiduciary standard of care is evident in all interactions with and on behalf of clients. The Registrant's compliance policies govern a number of business practices including gifts, entertainment, charitable contributions, and the outside business activities of Access Persons. These controls include maintaining records of gifts and entertainment, limiting the dollar value of gifts, monitoring entertainment activities, and monitoring outside activities to identify and mitigate potential conflicts of interest.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at Fidelity, TD Ameritrade or other broker-dealer/custodian/clearing agency as deemed appropriate. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Fidelity and TD Ameritrade (or any other broker-dealer/custodian/clearing agency to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Support Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from any custodians (or a mutual fund company), without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity, TD Ameritrade, or other custodian or clearing agency as a result of this arrangement. There is no corresponding commitment made by the Registrant to any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement. **The Registrant's Chief Compliance Officer, Robert Connell, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not engage in directed brokerage arrangements.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in

proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principal. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on a more frequent basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.1 above, the Registrant may receive an indirect economic benefit from Fidelity, TD Ameritrade, or other custodian/clearing agency. The Registrant, without cost (and/or at a discount), may receive support services and/or products from Fidelity, TD Ameritrade, or other custodians/clearing agencies.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity, TD Ameritrade, or other custodians/clearing agencies as result of this arrangement. There is no corresponding commitment made by the Registrant to Fidelity, TD Ameritrade, or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

The Registrant's Chief Compliance Officer, Robert Connell, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with access to the Registrant's published Brochure and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a daily, monthly, or quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Clients who have their advisory fees debited directly from their custodial accounts are urged to compare any written statement provided by the Registrant with the account statements received from the account custodian to ensure that the proper advisory fee has been deducted from their custodial account. **Please also note** that the account custodian does not verify the accuracy of the advisory fee calculation.

Private Funds. Where applicable under SEC custody rules, private funds advised by the Registrant are subject to an annual audit prepared in accordance with Generally Accepted Accounting Principles ("GAAP") by a qualified independent auditor. Audited financial statements are distributed to fund investors within 120 days of the fund's fiscal year-end as required under the Advisers Act. Upon the final liquidation of a fund, the Registrant or a designated party will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

Other Custody Arrangements. The Registrant engages in other practices and/or services on behalf of its clients that require disclosure in the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act. The Registrant's Chief Compliance Officer, Robert Connell, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute our *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name for found in the discretionary account.

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive control for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients may receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Registrant does not charge fees three months or more in advance.
- B. Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Registrant's Chief Compliance Officer, Robert Connell, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.